

SOUTHERN CALIFORNIA



ASSOCIATION of  
GOVERNMENTS

**Main Office**

818 West Seventh Street  
12th Floor  
Los Angeles, California  
90017-3435

T (213) 236-1800

F (213) 236-1825

[WWW.SCAG.CA.GOV](http://WWW.SCAG.CA.GOV)

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Ventura County: Lucy Mikels, Ventura County • Glen Bererra, San Valley • Carl Mordhouse, San Buenaventura • Tom Young, Port Hueme

Orange County Transportation Authority: Vacant

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Keith Millhouse, Moorpark

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## MEETING OF THE

# TRANSPORTATION & COMMUNICATIONS COMMITTEE

**Thursday, February 3, 2005**

**10:30 a.m. – 12:15 p.m.**

## SCAG Offices

**818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor  
San Bernardino Conference Room  
Los Angeles, California 90017  
213.236.1800**

## VIDEO CONFERENCE LOCATION

**SCAG, Riverside Office  
3600 Lime Street, Suite 216  
Riverside, CA 92501  
951.784.1513**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Cathy Alvarado at 213.236.1896 or [alvarado@scag.ca.gov](mailto:alvarado@scag.ca.gov)

Agendas and Minutes for the Transportation and Communications Committee are also available at:

[www.scag.ca.gov/committees/tcc.htm](http://www.scag.ca.gov/committees/tcc.htm)

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# TRANSPORTATION & COMMUNICATIONS COMMITTEE

## AGENDA

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PAGE #

TIME

- 1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE Councilmember Garcia,  
Chair
- 2.0 PUBLIC COMMENT PERIOD  
Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of this committee, must fill out a speaker's card prior to speaking and submit it to the Staff Assistant. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes. When you are called to speak, please come forward and state your name for the record.
- 3.0 REVIEW and PRIORITIZE AGENDA ITEMS
- 4.0 CONSENT CALENDAR
- 4.1 Approval Items
- 4.1.1 Approve Minutes of January 6, 2005 1  
Attachment
- 4.2 Receive and File
- 4.2.1 State and Federal Legislative Matrix 7  
Attachment
- 4.2.2 SCAG Future Events Calendar 11  
Attachment
- A working calendar of projected



# TRANSPORTATION & COMMUNICATIONS COMMITTEE

## AGENDA

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TIME

### 4.2 Receive and File -- cont/d

SCAG meetings and events.

4.2.3 State Budget Update 14  
Attachment

4.2.4. Southern California 16  
Consensus Program  
Attachment

4.2.5 I-710 (Ocean Boulevard to 17  
SR-60) Letter of Completion  
Attachment

I-710 (Ocean Boulevard to SR-60)  
project is deemed complete by the  
Regionally Significant Transportation  
Investment Study (RSTIS) Peer Review  
Group following final presentation on  
December 16, 2004.

### 5.0 ACTION ITEMS

5.1 Work Program and Timeline for Naresh Amatya, 21 10 minutes  
2007 RTP Update SCAG Staff  
Attachment

Staff will present a preliminary Work  
Program and Timeline for 2007 RTP  
Update.



# TRANSPORTATION & COMMUNICATIONS COMMITTEE

## AGENDA

		PAGE #	TIME
5.0	<b><u>ACTION ITEMS – cont/d</u></b>		
	<b>Recommended Action:</b> Approve staff recommendation to move forward with the Work Plan.		
6.0	<b><u>INFORMATION ITEMS</u></b>		
6.1	<b><u>Health Effects of Diesel Air Pollution Attachment</u></b>	<b>Ed Avol, Professor, USC Keck School of Medicine</b>	24  15 minutes
	The Committee will receive a presentation on the current state of research into the health effects of diesel exhaust in Southern California.		
6.2	<b><u>Goods Movement White Paper for Secretary of Business, Transportation and Housing Attachment</u></b>	<b>Nancy Pfeffer, SCAG Staff</b>	35  15 minutes
	Staff will brief the committee on the development of a white paper on regional goods movement issues prepared at the request of Business, Housing and Transportation Secretary, Sunne McPeak.		
6.3	<b><u>The Shanghai Maglev Experience Attachment</u></b>	<b>Jim Gosnell &amp; Zahi Faranesh, SCAG Staff</b>	58  15 minutes
	Two of SCAG staff were previously		



# TRANSPORTATION & COMMUNICATIONS COMMITTEE

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			PAGE #	TIME
6.0	<b><u>INFORMATION ITEMS –cont/d</u></b>			
	authorized to attend the 2004 Maglev Conference in Shanghai, China, October 26-28, 2004. The presentation and attached report will summarize their experience and offer substantial detail on Maglev related topics including the operation of the Shanghai Maglev Line.			
6.4	<b><u>Update on the Inland Empire Mainline Railroad Study Attachment</u></b>	<b>Rob Leachman, Leachman and Associates</b>	<b>63</b>	15 minutes
	This study is examining the mainline freight rail network from Colton East to Indio and North to Barstow. It will forecast future traffic and determine needed infrastructure improvement.			
6.5	<b><u>Port and Modal Elasticity Study Attachment</u></b>	<b>Rob Leachman, Leachman and Associates</b>	<b>64</b>	15 minutes
	This study is examining whether the application of user fees to goods arriving through the ports of Los Angeles and Long Beach would cause diversion of cargo to other United States and/or Canadian ports.			



# TRANSPORTATION & COMMUNICATIONS COMMITTEE

## AGENDA

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	PAGE #	TIME
7.0 <u>MAGLEV TASK FORCE REPORT</u>		Councilmember Lowe
8.0 <u>CHAIR REPORT</u>		Councilmember Garcia, Chair
9.0 <u>STAFF REPORT</u>		Rich Macias, SCAG Staff
10.0 <u>GOODS MOVEMENT TASK REPORT</u>		Councilmember Brown
11.0 <u>FUTURE AGENDA ITEMS</u> Any Committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three minutes.		
12.0 <u>ANNOUNCEMENTS</u>		
13.0 <u>ADJOURNMENT</u> The next meeting of the Transportation and Communications Committee is scheduled for Thursday, March 3, 2005, at the SCAG office.		



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Transportation and Communications Committee  
January 6, 2005

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***Action Minutes***

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**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE TRANSPORTATION AND COMMUNICATIONS COMMITTEE. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

The Transportation and Communications Committee held its meeting at SCAG Offices downtown Los Angeles. The meeting was called to order by the Honorable Harry Baldwin, Vice-Chair, City of San Gabriel. There was a quorum.

**Members Present**

Aldinger, Jim, City of Manhattan Beach  
Baldwin, Harry, City of San Gabriel  
Bone, Lou, City of Tustin  
Brown, Art, City of Buena Park  
Burke, Yvonne, City of Los Angeles  
Daniels, Gene, City of Paramount  
DeLara, Juan, City of Coachella  
De Young, Cathryn, City of Laguna Niguel  
Dixon, Richard, City of Lake Forrest  
Dunlap, Judy, City of Inglewood  
Flickinger, Bonnie, City of Moreno Valley  
Gabelich, Rae, City of Long Beach  
George, Gary, City of Redlands  
Gurule, Frank, City of Cudahy  
Hernandez, Robert, City of Anaheim  
Herrera, Carol, SGVCOG  
Lowe, Robin, City of Hemet/RCTC  
Lowenthal, Bonnie, City of Long Beach  
Mikels, Judy, Ventura County  
Miller, Llewellyn, City of Claremont  
O'Connor, Pam, City of Santa Monica  
Pettis, Greg, Cathedral City  
Proo, Bea, City of Pico Rivera  
Ridgeway, Tod, City of Newport Beach  
Roberts, Ron, City of Temecula  
Rutherford, Mark, City of Westlake Village  
Smith, Greg, City of Los Angeles  
Spence, David, City of Arroyo Verdugo  
Stanford, Dick, City of Azusa  
Stone, Jeff, Riverside Board of Supervisors

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Szerlip, Don, South Bay Cities  
Talbot, Paul, City of Alhambra  
Tyler, Sidney, City of Pasadena  
Uranga, Tonia Reyes, City of Long Beach

**Members Not Present**

Adams, Steve, Riverside, WRCOG  
Becerra, Glen, City of Simi Valley  
Baine, Paul, San Bernardino County  
Buckley, Tom, City of Lake Elsinore  
Cervantes, Jesus, Commerce, Gateway Cities COG  
Dale, Lawrence, City of Barstow  
Davis, Bill, City of Simi Valley  
Fasana, John, City of Duarte  
Garcia, Lee Ann, City of Grand Terrace  
Hall, Isadore, City of Compton  
Herzog, Peter, OCOG  
Keenan, Tim, City of Cypress  
Marshall, Patsy, City of Buena Park  
Millhouse, Keith, City of Moorpark  
Nuaimi, Mark, City of Fontana  
Ovitt, Gary, City of Ontario  
Smith, Charles, OCTA  
Smyth, Cameron, City of Santa Clarita  
Sykes, Tom, City of Walnut

**New Members**

Cervantes, Jesus, Commerce, Gateway Cities COG  
Gabelich, Rae, City of Long Beach  
Stone, Jeff, Riverside Board of Supervisors

**1.0 CALL TO ORDER & PLEDGE OF ALLIGANCE**

Vice-Chair Honorable Harry Baldwin called the meeting to order at 10:32 a.m.

**2.0 PUBLIC COMMENT PERIOD**

Mr. Don Kornreich, citizen, Laguna Woods, came forward to give his comments on a future regional transportation plan based on Maglev and Personal Rapid Transit (PRT). He stated that he had been present at SCAG policy committee meetings through the years in support of Maglev and in support of two supplements to Maglev which, is PRT, also



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an overhead system. PRT would be a connecting route of transportation to and from Maglev stations in order to increase ridership and to use Maglev special cars for transporting Goods Movement during off-peak hours.

**3.0 REVIEW and PRIORITIZE**

No changes requested.

**4.0 CONSENT CALENDAR**

**4.1 Approval Item**

4.1.1 Approve Minutes of November 4, 2004

**4.2 Receive and File**

4.2.1 SCAG Future Events Calendar

MOTION was made to approve the Consent Calendar items, SECONDED, and UNANIMOUSLY APPROVED.

**5.0 ACTION ITEMS**

There were no Action Items at this time.

**6.0 INFORMATION ITEMS**

**6.1 Southern California Regional ITS Architecture Update**

Bob Huddy, SCAG Staff, stated that Intelligent Transportation Systems (ITS) are computer based signal systems and things such as that, that help improve the safety and efficiency of surface transportation systems. ITS requires a National Architecture under a rule promulgated by the Federal Government in 2001. Staff has until April 8, 2005 to complete this project. Staff will be returning to TCC in February 2005 with a draft of the Southern California Regional ITS Architecture for review and approval and if approved it will be taken to the Regional Council for adoption in March.

SCAG has contracted with a consulting team lead by National Engineering Technologies (NET) Corporation to assist in developing the Regional ITS Architecture. The final product will be based upon input from the Regional Integration of ITS from LACMTA and the Inland Empire ITS Architecture as

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building blocks, and will include updates of the Architectures for Ventura County Transportation, and Imperial County, as well as Region-wide systems.

Mr. Huddy, then introduced Ms. Jackie Golob, Project Manager, National Engineering Technologies Corp., primary consultants to ITS. Ms. Golob gave an overview of the rule, requirements, schedule, and progress to date.

**6.2 Staff Analysis of Go21's Principles**

Philbert Wong, SCAG staff, presented an update relating to Go21's statement of principles to SCAG's goods movement planning efforts. Go21, which stands for Growth Options for the 21<sup>st</sup> Century, advocates for increasing the volume of goods handled by rail.

Go21's Statement of Principles:

- Growing freight volumes will make congestion worse on our overcrowded highways
- Freight transportation and quality of life are directly connected
- Freight rail improves quality of life
- Rail relieves highway gridlock and makes highway safer
- Rail is fuel efficient and better for the environment
- Rail yields financial benefits

Mr. Wong stated that SCAG recognizes that rail transportation will continue to play a significant role in the movement of goods, and as a result train infrastructure improvements, including track capacity and grade separations, will be needed to accommodate future growth. Recognizing this fact, the improvements were included in the 2004 RTP. SCAG has proposed the use of tax credit bonds to finance such improvements. SCAG supports exploring options for reducing truck trips and increasing rail use. Strategies, such as inland ports, offer the potential for reducing truck trips and therefore merit further study. It was noted that strategies to increase rail use to and from the ports can effectively be implemented, the region will still experience a large increase in truck trips, warranting the need for highway infrastructure improvements.

Vice-Chair Baldwin then moved forward agenda item 9.0, Staff Report, requesting Nancy Pfeffer, SCAG Staff, to come forward and give clarification on goods movement in Southern California. See 9.0 of the minutes for more detail.

**6.3 Los Angeles-San Diego San Luis Obispo Rail Corridor (LOSSAN)**

An overview of the the Los Angeles -- San Diego -- San Luis Obispo Rail Corridor Agency (LOSSAN) and its activities was presented by Linda Culp, Senior Transportation Planner with SANDAG (San Diego Association of Governments).

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LOSSAN is responsible for coordination of planning and programs that increase ridership, revenue, reliability, and safety on the coastal rail line from San Luis Obispo to Los Angeles to San Diego.

Recognizing the need to improve the safety, reliability, capacity, and customer experience along the entire corridor, the LOSSAN rail corridor agency was formed. Known as Amtrak's *Pacific Surfliner* corridor, it is the second busiest intercity passenger rail corridor nationwide, with a record 2.2 million passengers in FY 2005. One in every nine Amtrak passengers uses the *Surfliner* corridor. This corridor also is shared with Metrolink and Coaster commuter rail service and freight (Coaster service operates between Oceanside and downtown San Diego).

**6.4 Orange County Toll Lane Alternatives**

Mr. Michael Leahy, of the Transportation Corridor Agencies (TCA), Orange County, gave a presentation on Foothill-South, the proposed southern extension of the 241 Toll Road to the I-5 near San Clemente. SR-241 Foothill-South, has been subject to planning efforts for more than 20 years by a wide range of local, regional, state, and federal agencies.

The Transportation Corridor Agencies (TCA) were formed to plan, finance, construct and operate Orange County's 67-mile public toll road system. Their mission is to enhance mobility in Orange County and Southern California by developing and operating publicly owned toll facilities as a part of the regional transportation system.

At this time there is no preferred alternative identified in the Draft EIS/SEIR. The purpose of the document was to scientifically evaluate all the project alternatives equally and disclose the traffic benefits and potential environmental impacts of all of the alternatives.

Councilmember Hernandez and TCA staff will brief TCC members on the alternatives.

**7.0 MAGLEV TASK FORCE REPORT**

None at this time.

**8.0 CHAIR REPORT**

Vice-Chair Honorable Harry Baldwin announced that the L.A. County City Selection Committee was going to hold an important election. Councilmember Bea Proo, City of Pico Rivera, Councilmember John Fasana, City of Duarte, and Frank Roberts, City of Lancaster, are up for re-election on the MTA Board. The election/meeting is to be held at

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the Quiet Cannon, City of Montebello, this evening, January 6<sup>th</sup>. He encouraged all TCC members that sit on the committee to be in attendance to retain these representatives.

Vice-Chair Baldwin also announced that the Legislative Program report from SCAG's Executive Director, Mark Pisano, is addressed in his memo and includes a consensus program draft brochure from all the transportation agencies in the SCAG region. This program will be taken forward to Washington, D.C. on February 16 and 17.

**9.0 STAFF REPORT**

Nancy Pfeffer, SCAG Staff, gave an overview of the letter and attachments sent to the Honorable Sunne McPeak, Secretary, Business, Transportation & Housing, State of California on December 13, 2004 per the request of Governor Schwarzneger. The attachments included the Southern California Regional Strategy for Goods Movement: A Plan for Action (two-page) summary, and a longer, technical white paper. The two-page summary, outlined the key short-term concerns, actions that have been taken, and actions that need to be taken to keep goods and people moving.

**10.0 FUTURE AGENDA ITEMS**

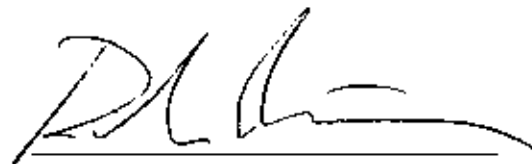
None at this time.

**11.0 ANNOUNCEMENTS**

None at this time.

**12.0 ADJOURNMENT**

Vice-Chair Baldwin adjourned the meeting at 12:20 p.m.  
The next committee meeting will be held on  
**February 3, 2005, 10:30 a.m., at the SCAG Office.**



Rich Macias, Manager  
Transportation Planning/Programming Division

# MEMO

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**DATE:** February 3, 2005

**TO:** The Regional Council  
The Community Economic and Human Development Committee  
The Energy and Environment Committee  
The Transportation and Communications Committee (TCC)

**FROM:** Charlotte Pienkos, Government Affairs Analyst  
Phone: (213) 236-1811 E-Mail: [pienkos@scag.ca.gov](mailto:pienkos@scag.ca.gov)

**SUBJECT:** State and Federal Legislative Matrix

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The California State Legislature reconvened on January 3<sup>rd</sup>, launching the 2005-2006 Legislative Session. This is the first year of a two-year session; no bills or constitutional amendments have carried over from 2004. Since the 3<sup>rd</sup>, Governor Arnold Schwarzenegger has met the constitutional deadline of submitting his Fiscal Year 2005-06 Budget to the Legislature. Bill introduction during this early part of the session will be guided by two dates: January 21<sup>st</sup> is the last day to submit bill requests to the Office of Legislative Counsel, and February 18<sup>th</sup> is the last day for bill introduction.

SCAG Government Affairs staff is reviewing new bills as they are introduced for relevance to SCAG's jurisdictional areas of interest. As of this writing on January 13, 2005, fourteen bills or constitutional amendments have been flagged for further review. Attached to this memo, all fourteen are listed in a brief summary for the Regional Council. Each committee, however, will receive with this memo a more detailed look at bills within its field. Due to the congressional inaugural break, there is no federal legislation to review at this time.



**Private file: Transportation**

CA ACA 4

**AUTHOR:** Plescia (R)  
**TITLE:** Transportation Investment Fund  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**LOCATION:** ASSEMBLY  
**CODE SECTION:**

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 1 of Article XIX B thereof, relating to transportation.

**SUMMARY:**

Relates to existing law which requires that sales taxes on motor vehicle fuel that are deposited into the General Fund be transferred to the Transportation Investment Fund. Deletes the provision authorizing the Governor and the Legislature to suspend the transfer of revenues from the General Fund to the Transportation Investment Fund for a fiscal year during a fiscal emergency.

**DIGEST:****LEGISLATIVE COUNSEL'S DIGEST**

ACA 4, as introduced, Plescia. Transportation Investment Fund

Article XIX B of the California Constitution requires, commencing with the 2003-04 fiscal year, that sales taxes on motor vehicle fuel that are deposited into the General Fund be transferred to the Transportation Investment Fund for allocation to various transportation purposes. Article XIX B authorizes this transfer to the Transportation Investment Fund to be suspended in whole or in part for a fiscal year during a fiscal emergency pursuant to a proclamation by the Governor and the enactment of a statute by a 2/3 vote in each house of the Legislature if the statute does not contain any unrelated provision. This measure would delete the provision authorizing the Governor and the Legislature to suspend the transfer of revenues from the General Fund to the Transportation Investment Fund for a fiscal year during a fiscal emergency. Vote: 2/3. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**STATUS:**

12/06/2004 INTRODUCED.  
**Subject:** Revenue/Bond, Transport

CA SB 32

**AUTHOR:** Alarcon (D)  
**TITLE:** Los Angeles County Regional Airport Authority  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**LOCATION:** SENATE  
**CODE SECTION:**

An act relating to the Los Angeles County Regional Airport Authority.

**SUMMARY:**

Declares the intent of the Legislature to establish the Los Angeles County Regional Airport Authority.

**DIGEST:****LEGISLATIVE COUNSEL'S DIGEST**

SB 32, as introduced, Alarcon. Los Angeles County Regional Airport Authority.

This bill would declare the intent of the Legislature to establish the Los Angeles County Regional Airport Authority.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**STATUS:**

12/09/2004 INTRODUCED.  
**Subject:** Transport

CA SB 45

**AUTHOR:** Alarcon (D)  
**TITLE:** Intermodal Marine Terminals  
**FISCAL COMMITTEE:** no  
**URGENCY CLAUSE:** no  
**LOCATION:** SENATE  
**CODE SECTION:**

An act to add Chapter 28.5 (commencing with Section 22928) to Division 8 of the Business and Professions Code, relating to transportation.

**SUMMARY:**

Prohibits an intermodal marine equipment provider or marine terminal operator from imposing per diem or detention charges, or demurrage charges, on an intermodal motor carrier relative to transactions involving cargo shipped by intermodal transport under certain circumstances.

**DIGEST:**

## LEGISLATIVE COUNSEL'S DIGEST

SB 45, as introduced, Alarcon. Intermodal marine terminals.

Existing law imposes special regulations on various business activities but does not specifically regulate detention and per diem charges imposed by intermodal terminals on intermodal equipment used by motor carriers.

This bill would prohibit an intermodal marine equipment provider or marine terminal operator from imposing per diem or detention charges, as defined, or demurrage charges, on an intermodal motor carrier relative to transactions involving cargo shipped by intermodal transport under certain circumstances.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**STATUS:**

01/05/2005

INTRODUCED.

**Subject:**

Transport

CA SB 53

**AUTHOR:**

Kehoe (D)

**TITLE:**

San Diego County Regional Airport Authority

**LOCATION:**

SENATE

**CODE SECTION:**

An act to amend Section 170018 of, to add Section 170041 to, and to repeal Sections 170010, 170012, and 170014 of, the Public Utilities Code, relating to the San Diego County Regional Airport Authority.

**SUMMARY:**

Repeals obsolete provisions pertaining to the interim San Diego County Regional Airport Authority board. Makes a technical corrective change. Amends the San Diego County Regional Airport Act to explicitly restate the applicability of the Ralph M. Brown Act to the Authority.

**DIGEST:**

## LEGISLATIVE COUNSEL'S DIGEST

SB 53, as introduced, Kehoe. San Diego County Regional Airport Authority.

(1) Existing provisions of the San Diego County Regional Airport Authority Act provided for administration of the San Diego County Regional Airport Authority by an interim board with prescribed membership until December 2, 2002.

This bill would repeal obsolete provisions pertaining to that interim board.

(2) Existing law requires the appropriate appointing authority to fill a vacancy on the authority board occurring prior to the expiration of the member's term.

This bill would make a technical corrective change in the language of this provision.

(3) Existing open-meeting requirements of the Ralph M. Brown Act are applicable to all local agencies, including the authority.

This bill would amend the San Diego County Regional Airport Authority Act to explicitly restate the applicability of the Ralph M. Brown Act to the authority.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**STATUS:**

01/10/2005

INTRODUCED.

**Subject:**

Transport

CA SR 8

**AUTHOR:**

Torlakson (D)

**TITLE:**

Transportation and Housing

09

**LOCATION:** Senate Rules Committee

**SUMMARY:**

Declares that the Senate places a high priority during the 2005-06 Regular Session on improving access to housing and reducing traffic congestion by promoting affordable housing, infill development, and other policies that allow people to live closer to their workplaces.

**STATUS:**

01/11/2005

INTRODUCED.

01/11/2005

To SENATE Committee on RULES.

**Subject:**

Housing, Transport

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# February 2005 Events

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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
6	7	8	9	10	11	12
		11:00a Communication & Membership	9:00a RCTC	8:00a Executive 9:00a ADMIN 10:30a EEC 10:30a CEHD 10:30a TCC 12:30p RC 6:30p LA County League of Cities	10:00a VCTC	11:30a ASPA
				10:00a Water Policy Advisory Committee (location varies)		
13	14	15	16	17	18	19
			9:30a Goods Movement 11:15a MAGLEV			
20	21	22	23	24	25	26
	President's Holiday Observed - SCAG Offices Closed	10:00a Transportation Conformity Working Group	Consensus Top Washington, DC	9:30a Subregional Coordinators		
27	28					

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Printed January 20, 2005

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**INFORMATIONAL ONLY. DATES/TIMES SUBJECT TO CHANGE WITHOUT NOTICE**

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# April 2005 Events

Visit [www.scag.ca.gov](http://www.scag.ca.gov) for the latest information.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

		11:00a Communication & Membership 11:30a ASFA		8:00a Executive 9:00a ADMIN 10:30a EEC 10:30a CEHD 10:30a TCC 12:30p RC	10:00a VCTC	
			9:00a RCTC	10:00a Water Policy 10:00a Aviation Technical Advisory Committee (location varies) 12:00p Strategic Plan		
			9:30a Goods Movement 10:00a Audit/Best Practices 11:15a MAGLEV			
		10:00a Transportation Conformity Working Group		9:30a Subregional Coordinators		

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Printed January 20, 2005

# MEMO

**DATE:** February 3, 2005

**TO:** The Regional Council  
The Transportation and Communications Committee

**FROM:** Charlotte Pienkos, Government Affairs Analyst  
Phone: (213) 236-1811 E-Mail: [pienkos@scag.ca.gov](mailto:pienkos@scag.ca.gov)

**SUBJECT:** State Budget Update

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## SUMMARY:

Governor Arnold Schwarzenegger released his Fiscal Year 2005-06 Budget on Monday, January 10<sup>th</sup>. To help address an estimated \$8 billion shortfall, the Governor has proposed a suspension of Proposition 42, the voter-approved dedication of motor vehicle fuel sales tax revenues for transportation purposes. A total of \$3.4 billion in revenues to transportation have been lost during three years of Proposition 42 suspensions. The Governor proposes a 15-year repayment schedule of Proposition 42 funds in his Budget and launches new initiatives, including a transportation program called "GoCalifornia."

## BACKGROUND:

Despite a \$5 billion increase in projected tax revenues, California faces an estimated \$8 billion structural budget deficit in FY05-06. To address the shortfall, Governor Schwarzenegger has proposed a combination of borrowing, transfers, and cuts in his FY05-06 Budget, released January 10<sup>th</sup>. Transportation funding fares poorly in the Budget, although the broad outlines of transportation reforms announced with the Budget's release promise an improvement in funding in 2007.

Proposition 42, the dedication of motor vehicle fuel sales taxes for transportation purposes, is suspended in the Governor's FY05-06 Budget, reserving \$1.3 billion for General Fund use. Added to previous suspensions, a total of \$3.4 billion have been diverted to the General Fund from Proposition 42's Traffic Congestion Relief Fund (TCRF). The Budget proposes a 15-year repayment of these funds beginning in 2007.

Although the loan to the General Fund is repayable without interest, the Governor proposes a constitutional amendment starting in FY07-08 to eliminate the ability to borrow Proposition 42 funds—the "Prop 42 firewall" sought by transportation stakeholders. Until that time, the Budget is silent on an FY06-07 suspension, leaving open the possibility of an additional near-term transfer. For FY05-06, \$183 million is available from the TCRF.

The Budget contains other reductions in the area of transportation beyond the Proposition 42 suspension. Indian gaming revenues, allocated to transportation in the FY04-05 Budget and estimated at \$1.2 billion, will be available in FY05-06 only if pending litigation is resolved. Should litigation continue or if revenues are lower than expected, there is no Budget provision to

supplant gaming proceeds. Furthermore, the spillover of sales tax to the Public Transportation Account for transit is suspended at a cost of \$216 million.

On the bright side, the Governor proposes a new program in the Budget called "GoCalifornia." While details have not been released, GoCalifornia is broadly defined as a comprehensive 10-year strategy for transportation improvements covering all modes of transportation and connecting transportation to housing. A key component of GoCalifornia is project delivery efficiency, including performance improvements at Caltrans and alternative procurement systems, such as design-build and design-sequencing. Those concepts, as well as GoCalifornia's emphasis on public-private partnerships, are key components of the adopted 2004 Regional Transportation Plan and SCAG's goods movement strategy. GoCalifornia will be unveiled in the spring.

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**DATE:** February 3, 2005

**TO:** The Regional Council  
The Transportation and Communications Committee

**FROM:** Charlotte Pienkos, Government Affairs Analyst  
Phone: (213) 236-1811 E-Mail: [pienkos@scag.ca.gov](mailto:pienkos@scag.ca.gov)

**SUBJECT:** Southern California Consensus Program

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## SUMMARY:

For the third consecutive year, a delegation of chairs and chief executive officers from SCAG region county transportation agencies, Metrolink, and Imperial County will join SCAG to present the Southern California Consensus Program to key members of Congress and the Administration. The February 16<sup>th</sup>-17<sup>th</sup> visit will inform congressional representatives and agency officials about the region's shared priorities for the reauthorization of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), which expires on May 31<sup>st</sup>.

## BACKGROUND:

In February 2003, SCAG led the first delegation of regional transportation stakeholders to Washington to present the Southern California Consensus Program for TEA-21 Reauthorization. The advocacy visit, the first cooperation of its kind in Southern California, broke new ground in regional consensus building. The reauthorization of TEA-21 was not as successful. Congress enacted the first extension of TEA-21 that year in light of disagreement between both houses of Congress and the White House over funding levels.

A second Consensus Program visit occurred in February 2004. Regional support for the Consensus Program remained strong, and the delegation again met with representatives and agency officials, emphasizing Southern California's unique role in the nation's economy. Again Congress extended the reauthorization, having failed to resolve funding level questions. The current extension, the seventh to date, expires on May 31<sup>st</sup>.

Momentum is building strongly in Washington to enact a reauthorization before the May deadline, and the region has responded with continued support for the Consensus Program. On February 16<sup>th</sup> and 17<sup>th</sup>, the delegation will meet with members of Congress and agency officials to stress the need to maintain core programs, create projects of national significance, fund New Starts projects, and give regions innovative financing tools. SCAG is coordinating the effort, as in past years, as authorized by the 2004 SCAG State and Federal Legislative Program.

Government Affairs will report on the outcome of the Consensus Program visit to Washington at the March Regional Council and Transportation and Communications Committee meetings.

CP#106746



**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**

# MEMO

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**Date:** February 3, 2005

**To:** Transportation and Communications Committee

**From:** Alan Bowser, Senior Regional Transportation Planner  
(213-236-1843) or Bowser@scag.ca.gov

**RE: I-710 Major Corridor Study (RSTIS) Letter of Completion**

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**RECOMMENDATION:** Information Item.

## SUMMARY

The Regionally Significant Transportation Investment Study (RSTIS) Peer Review Group heard final presentations on December 16, 2004 for the I-710 (Ocean Boulevard in the City of Long Beach to SR-60) Major Corridor Study (RSTIS). The Peer Review Group Members agreed that the study presented was complete (see Attachment A) and met the regional (2004 RTP) and federal requirements as outlined in TEA-21, and could thus be provided a Letter of Completion. The 12/16/04 RSTIS Meeting Minutes Summary is available upon request.

The Letter of Completion documents the Peer Review Group's agreement regarding the successful completion of the RSTIS process. This item confirms that SCAG will provide, under signature of the Director of Planning and Policy Department, a Letter of Completion according to adopted SCAG guidelines for the RSTIS Process.

## BACKGROUND

Once the provision of the Letter of Completion has been agreed upon, the RSTIS (formerly MIS) Process is complete and draft/final environmental analysis can be initiated/completed, if required for the Locally Preferred Strategy and/or selected alternatives. If the locally preferred long-term strategy is different from the currently adopted 2004 Regional Transportation Plan (applicable in this case) it can be presented to the Regional Council for consideration as an amendment to the adopted Plan.

attachment

ELECTRONIC COPY

February 3, 2005

Mr. Roger Snoble, Chief Executive Officer  
Los Angeles County Metropolitan Transportation Authority  
1 Gateway Plaza  
Los Angeles, California 90012-2952

Attention: James L. de la Loza

Subject: Letter of Completion for the I-710 Major Corridor Study (RSTIS)

Dear Mr. Snoble:

On November 29, 1993, the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) issued final guidance on new regulations stemming from ISTEA passage. The Major Investment Study (MIS) is one of these ISTEA requirements.

Subsequently, TEA-21 removed the requirement for a "stand-alone" MIS, the U.S. Department of Transportation (DOT) issued proposed new MIS regulations and guidance, expected to be finalized in 2001, and FHWA has advised observing existing MIS guidance until DOT guidelines are finalized.

SCAG's adopted 2004 RTP requires a transportation alternatives analysis study for all regionally significant transportation investments (RSTIS) that might utilize federal funds. Projects in this category are usually capacity adding transit and/or highway improvements.

In addition to an alternatives analysis, RSTIS components also include (1) public involvement and (2) consultation among the MPO, county transportation commissions, transit operators, Caltrans, FHWA, FTA, State Resource Agencies and other investment stakeholders.

The range of alternatives considered in the I-710 Major Corridor Study (RSTIS) is sufficient to meet RSTIS Guidelines as adopted by SCAG's Transportation and Communications Committee. LACMTA conducted an exemplary public and agency outreach process that provided adequate opportunities for public involvement. Moreover, numerous community-level and corridor-wide meetings including the RSTIS Peer Review Group facilitated public agency involvement and consultation during the study process.

On December 16, 2004 the *RSTIS Peer Review Group* met and determined that the I-710 Major Corridor Study (RSTIS) meets SCAG and FTA/FHWA requirements, and that the project is ready to advance from planning to the environmental impact and project development phase as necessary.



Attachment A <sup>1</sup> is a part of this LOC. It documents the Locally Preferred Strategy and describes next steps agreed to by the study's Technical Advisory Committee, the Oversight Policy Committee and the study's funding partners (LACMTA, Caltrans, GCCOG and SCAG) to advance the project to the Environmental Phase.

This correspondence documents the RSTIS Peer Review Group findings that the I-710 Major Corridor Study (RSTIS) meets Metropolitan Planning Rules and is therefore granted this *Letter of Completion*. If you have any questions please contact me at (213) 236-1889 or Al Bowser at (213) 236-1843.

Sincerely,

Hasan Ikhrata  
Director of Planning and Policy

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<sup>1</sup> **Attachment A - I-710 Major Corridor Study (RSTIS) - Locally Preferred Strategy**

cc: Ernest Morales, Project Manager, LACMTA  
Richard Powers, Executive Director, Gateway Cities COG  
Sharas Bangalore, Caltrans District 7  
Sandra Balmir, FTA/FHWA Los Angeles Metro Office  
Robert Cady, FHWA  
Alan Bowser/RSTIS File, SCAG

I-710 Major Corridor Study (RSTIS) - Locally Preferred Strategy  
(Ocean Boulevard in Long Beach to SR-60)

Attachment A documents the Locally Preferred Strategy (LPS) and describes next steps agreed to by the study's Technical Advisory Committee, the Oversight Policy Committee and the study's funding partners (LACMTA, Caltrans, GCCOG and SCAG) to advance the project to the Environmental Phase.

The OPC met on November 18, 2004 and adopted the Locally Preferred Strategy (LPS) for the I-710 Major Corridor Study (RSTIS). The OPC approved the draft hybrid design concept and the related supporting elements as the LPS:

- Hybrid Design Concept, which consists of ten (10) mixed flow lanes, specified interchange improvements, and four (4) truck lanes between the inter-modal rail-yards in Vernon/Commerce and Ocean Boulevard in Long Beach
- Alternative B – Transportation System Management/Transportation Demand Management Improvements
- Improvement to arterial highways within the I-710 Corridor
- Construction of truck inspection facilities to be integrated with the selected overall design concept

The OPC, as part of the LPS decision, also committed to an additional “mini” study of the segment of the Corridor between Atlantic/Bandini and SR-60 to determine an acceptable design concept and scope for that segment of the Corridor. In addition, OPC adopted four recommendations providing direction and guidance on the future phases of project development and on companion actions:

1. Request the Gateway Cities Council of Governments to return with suggested steps for initiating the development and implementation of a corridor-level air quality action plan to include not only technical but also funding, institutional structure and legislative strategies as well as an approach to holding public agencies with jurisdictions in the Corridor accountable for progress in meeting air quality and public health objectives in the Corridor and Region.
2. Forward the Tier 2 Report in its entirety to be accepted as pre-scoping guidance to the preparation of the EIR/EIS.
3. Request the Gateway Cities Council of Governments to identify and pursue appropriate avenues to implement those Tier 2 recommendations that prove to exceed the scope of any I-710 transportation improvement project and report back to the community.
4. Request LACMTA and GCCOG staff to suggest a process and structure for continuing community participation throughout the environmental analysis.

Also, several local representatives, the community advisory group members, and the public raised a number of critical concerns and issues as documented by the OPC on November 18, 2004 that will become part of future discussions as the various aspects of the project move into the next phases.

# REPORT

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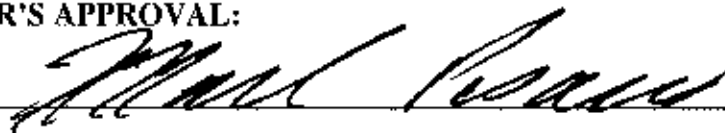
**DATE:** January 13, 2005

**TO:** Transportation & Communications Committee

**FROM:** Naresh Amatya, Lead Regional Planner, Planning and Policy  
213-236-1885; amatya@scag.ca.gov

**RE:** Preliminary Schedule for the next RTP Update

**EXECUTIVE DIRECTOR'S APPROVAL:**



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**RECOMMENDED ACTION:**

**Authorize staff to move forward with the 2007 Regional Transportation Plan (2007 RTP) Update based on the general timeline provided below and direct staff to report back on potential need for an interim amendment of the 2004 RTP.**

**SUMMARY:**

Regional Council adopted the 2004 Regional Transportation Plan (RTP) on April 1, 2004. Both federal (Title 23, CFR Sec.450.322) and state (Government Code 65080(c)) law requires that the RTP be update at least once every three years in federally designated non-attainment and maintenance areas for air quality such as our region. Accordingly, the current RTP must be updated and adopted by the Regional Council by no later than April of 2007. This memo outlines the timeline and key milestones that must be met to accomplish this.

**BACKGROUND:**

Regional Council adopted the 2004 RTP on April 1, 2004. Transportation Conformity on the 2004 RTP was approved by the federal agencies on June 7, 2004 for the South Coast Air Basin (SCAB), the Imperial County and Coachella Valley portions of Salton Sea Air Basin (SSAB), and the San Bernardino portion of the Mojave Desert Air Basin (MDAB). Conformity for the Ventura County portion of the South Central Coast Air Basin and the South Desert Modified 1-Hour Ozone Area was approved on June 16, 2004. Both federal (Title 23, CFR Sec.450.322) and state (Government Code 65080(c)) law requires that the RTP be update at least once every three years in federally designated non-attainment and maintenance areas for air quality such as our region. This would require the current RTP be updated and adopted by the Regional Council by no later than April of 2007.

Since the adoption of the 2004 RTP in April 2004, a number of events that may influence the next plan update have occurred and some are unfolding as this memo is being prepared. First, on the positive side, voters of San Bernardino county overwhelmingly

Since the adoption of the 2004 RTP in April 2004, a number of events that may influence the next plan update have occurred and some are unfolding as this memo is being prepared. First, on the positive side, voters of San Bernardino county overwhelmingly approved Measure I in San Bernardino county, which extends the half cent sales tax. This was included in the 2004 RTP as an initiative for additional funding. On the other hand, Los Angeles county initiative to add another half cent sales tax in LA County, which was also included in the 2004 RTP, was not moved forward.

At the state level, recently unveiled budget proposal by the governor spells disaster for the near term transportation improvements. The proposed budget would specifically divert the Prop. 42 revenue again in the next fiscal year. Revenue from the Indian Gaming initiative has not materialized in the current fiscal year as anticipated and the revenue outlook for next fiscal year has been scaled back drastically. Full impact of these cuts to our transportation plans and programs may not be known until state releases their fund estimates for the next STIP funding round in spring.

Yet another event that may warrant re-visiting 2004 RTP sooner is the Orange County Transportation Authority (OCTA) board action on the Center Line project. The 2004 RTP allocates over \$1 billion to ensure the project is complete and operational by 2030. Should the OCTA board action result in elimination or substantial change to this project, a comparable substitution would be required which could also lead potentially to an earlier amendment of the 2004 RTP.

Given these uncertainties, it is still pre-mature to develop a timeline for an interim amendment, should one be necessary. However, the triennial update of the plan is a regulatory requirement for our region as pointed out above. The following highlights the general timeline and major milestones to accomplish Regional Council adoption of the next RTP no later than April of 2007.

- Dec. 2005 -- Review and update overall goals, objectives, policies, planning assumptions, performance measures etc. Establish Base-Year performance condition and baseline revenue forecast
- April 2006- Establish Baseline performance condition and complete needs assessment, including identification of system deficiencies, bottlenecks etc.
- July 2006 – Complete Scenario development/planning, including growth, capital improvement and environmental scenarios. Also, complete development of funding scenarios and analysis of range of costs associated with each alternative
- Oct. 2006 – Complete evaluation of scenarios leading to a preferred scenario to be released as the Draft 2007 RTP for public review and comments
- Dec. 2006 – Release Draft PEIR for public review and comments
- March 2007 – Complete Interagency coordination/consultation. Also complete response to comments and necessary adjustments to the Draft 2007 RTP per comments and input received.
- April 2007 – RC adopt 2007 RTP and approve the PEIR

- June 2007 – Conformity approval on the 2007 RTP

Public outreach would occur throughout the process on a continuous and on-going basis. The recommendation at this point is to allow staff to move forward with the 2007 RTP Update process based on the general timeline identified above and direct staff to return to TCC in the near future with assessment of potential interim amendment of the 2004 RTP.

**FISCAL IMPACT:**

No fiscal impact. The budget for this work is already included in the current Overall Work Program (OWP).

# MEMO

**DATE:** February 3, 2005  
**TO:** Transportation & Communications Committee  
**FROM:** Nancy Pfeffer, Sr. Regional Planner, 213-236-1869, [pfeffer@scag.ca.gov](mailto:pfeffer@scag.ca.gov)  
**SUBJECT:** Health Effects of Diesel Air Pollution

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## SUMMARY:

Dr. Ed Avol, a Professor in the Environmental Health Division at the Department of Preventive Medicine, USC Keck School of Medicine, will provide a presentation on recent research into the public health effects of air pollution from diesel vehicle engines. Dr. Andrea Hricko of USC has previously presented this information to the SCAG Energy & Environment Committee. A copy of her Urban Policy Brief is attached.

## BACKGROUND:

The USC Keck School of Medicine has been conducting a long-term Children's Health Study that has recently produced some significant findings. In September 2004, the New England Journal of Medicine published results indicating that current levels of air pollution have chronic adverse effects on lung development in children between 10 and 18 years of age. In the study, public health data were correlated with measured concentrations of fine particulate matter (PM<sub>2.5</sub>) at various locations around the South Coast Air Basin. The associations with health effects seen in the study were primarily from pollutants arising from mobile sources. Earlier studies have also linked health effects such as asthma and increased strokes in adults with proximity to freeways. These studies have direct implications for transportation projects and land use planning throughout the SCAG region.

UNIVERSITY OF SOUTHERN CALIFORNIA URBAN INITIATIVE

## Road To An Unhealthy Future For Southern California's Children

*Andrea M. Hricko*





Urban Initiative Public Policy Briefing  
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**FOR FURTHER INFORMATION:**

USC URBAN INITIATIVE  
3470 TROUSDALE PARKWAY, WPH 604  
UNIVERSITY OF SOUTHERN CALIFORNIA  
LOS ANGELES, CA 90089-4036  
EMAIL: [urban.initiative@usc.edu](mailto:urban.initiative@usc.edu)  
[www.usc.edu/urban](http://www.usc.edu/urban)

SOUTHERN CALIFORNIA ENVIRONMENTAL  
HEALTH SCIENCES CENTER  
KECK SCHOOL OF MEDICINE OF USC  
1540 ALCAZAR STREET, CHP 236  
LOS ANGELES, CA 90033-9013  
EMAIL: [scehsc@usc.edu](mailto:scehsc@usc.edu)  
[www.usc.edu/medicine/scehsc](http://www.usc.edu/medicine/scehsc)





# ROAD TO AN UNHEALTHY FUTURE FOR SOUTHERN CALIFORNIA'S CHILDREN

Andrea M. Hricko<sup>1,2</sup>

## URBAN INITIATIVE POLICY BRIEF

*Reporting on results of a USC study of air pollution's impacts on children and some policy issues this study raises.*

For more than 10 years, investigators at the Keck School of Medicine of USC have studied air pollution to determine its effects on children. Results from the USC Children's Health Study (CHS) show that children in Southern California's more-polluted communities suffer reduced growth of lung function, asthma exacerbations, more school absences, and new onset asthma. Many of the effects are linked to pollution from mobile sources — cars, trucks, ships, planes, trains, and other gasoline- and diesel-powered equipment. Significant strides have been made in past decades to implement emission control strategies, but the number of mobile sources keeps increasing and smog levels have started to rise again over the past five years. Increasing pollution may be compounded by regulatory delays because the federal government has just postponed deadlines to clean the air from 2010 to 2021.

Based on this evidence, this policy brief reviews the CHS results and examines the number of children who may be impacted by delays in controlling air pollution and the geographic areas with the highest pollution levels. It also

discusses the difficulty local air regulators have in protecting the region's interests in clean air against conflicting global and federal priorities. Finally, this brief considers regulatory measures to protect children's health by using available technology to reduce mobile source pollution as well as policy and planning solutions aimed at placing a higher priority on health when key development decisions are made.

### *Air pollution harms children's health*

In 1993, USC investigators began enrolling 6,000 children from 12 communities in the CHS to determine whether long-term exposure to outdoor air pollution affected respiratory health. A decade later, the CHS has generated compelling evidence that the lungs of children living in

<sup>1</sup>Andrea M. Hricko, MPH, is Director, Community Outreach and Education, Southern California Environmental Health Sciences Center (SCEHSC), and Associate Professor, Department of Preventive Medicine, Keck School of Medicine of USC. The SCEHSC and the Children's Health Study are both directed by John M. Peters, M.D., Holdings Professor at the Keck School of Medicine.

<sup>2</sup>With thanks to the other authors of "Breathless in Los Angeles," described below, and to Michael Demott and Jim Gauderman (reviewers) and Amy Tam (manuscript assistance).

FIGURE 1:

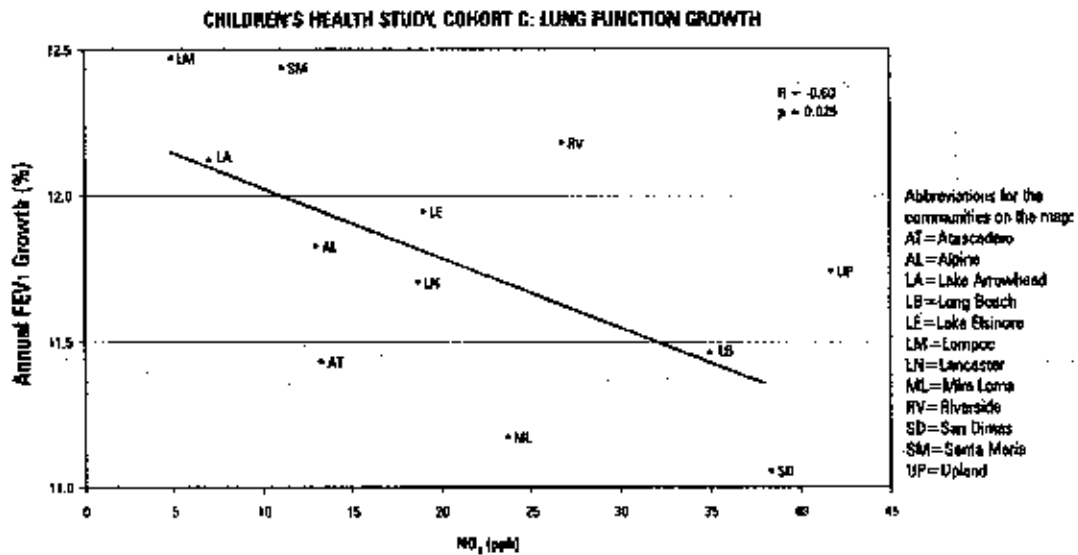
### KEY RESULTS OF THE USC CHILDREN'S HEALTH STUDY

#### **Children in the more-polluted communities have:**

- ▶ Reduced lung function growth (their lungs grow more slowly)
- ▶ Improvement in lung function if they move to a less polluted community
- ▶ More school absences from acute respiratory problems when ozone levels go up
- ▶ Asthma exacerbation (in areas with more traffic-related pollutants)
- ▶ More cases of newly diagnosed asthma (in areas with high ozone levels)

FIGURE 2:

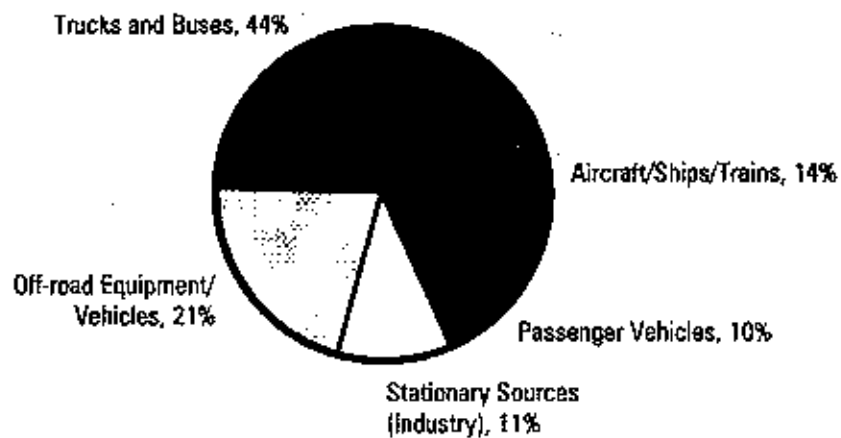
## GROWTH OF LUNG FUNCTION DECREASES AS TRAFFIC-RELATED AIR POLLUTION INCREASES



Source: Children's Health Study

FIGURE 3:

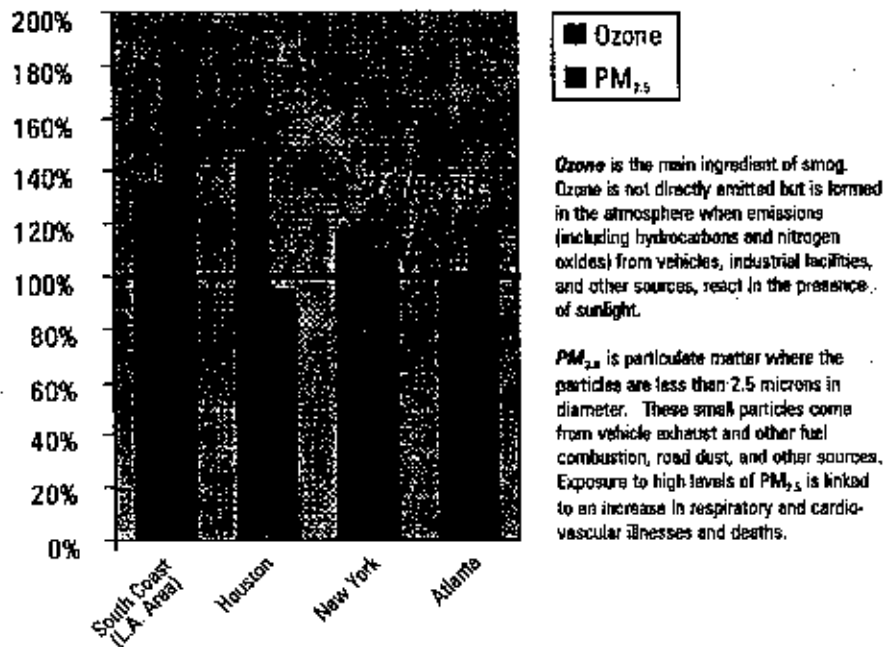
## MOBILE SOURCES ARE THE MAJOR CONTRIBUTORS TO OXIDES OF NITROGEN IN THE REGION'S AIR



Source: South Coast Air Quality Management District, Air Quality Management Plan, 2003.

FIGURE 4:

### MAXIMUM POLLUTANT CONCENTRATIONS AS PERCENT OF FEDERAL STANDARDS SOUTH COAST AIR BASIN COMPARED TO OTHER URBAN AREAS (2002)



Source: AQMD Air Quality Standards Compliance Report, 2003.

more-polluted communities develop more slowly and that these deficits probably have long-term health and social consequences.<sup>2</sup> [Figs. 1 & 2] CHS results also show that children with asthma get sicker when exposed to higher levels of pollutants associated with traffic emissions [Fig. 3], such as particulate matter (PM) and nitrogen dioxide.

In addition, the CHS shows that (1) in higher ozone communities, children with significant outdoor activity develop asthma more often than children in less polluted communities, and (2) when ozone levels go up, children develop more acute respiratory problems, causing them to miss school. These absences, in turn, create an added economic burden for caregivers,<sup>3</sup> and for school districts which lose per-pupil funding. They may also interfere with a child's education.

#### **Federal government deadlines for cleaning the region's air have been delayed**

The four-county region (L.A., Orange, Riverside and San Bernardino) has some of the highest levels of particulate matter (small particle pollution from exhaust, fuel combus-

tion, road dust and other sources) and ozone in the country. [Figs. 4, 5 & 6]. Ozone levels last year rose to the highest levels in the past five years. [Fig. 7]. Under a plan implemented by the South Coast Air Quality Management District (AQMD), the area had until 2010 to achieve improved air quality. But in April 2004, the U.S. Environmental Protection Agency (EPA) issued stricter ozone rules that, while they will be harder for Southern California to meet, also extended its smog cleanup deadline to 2021.

#### **New mobile sources of pollution continue to be added**

Already accommodating 16 million people, 9 million cars, and 261,000 diesel vehicles, by 2020 the four-county region of the LA metropolitan area will add several million more cars and thousands more trucks to the roads,

<sup>2</sup>Kuenzli N, McConnell R, Bates D, Bastain T, Hricko A, Lurmann F, Avol E, Gilliland F, Peters J. Breathless in Los Angeles: the exhausting search for clean air. *Am J Public Health*. 2003 Sep;93(9):1494-9. Includes references for many of the papers reporting CHS results.

<sup>3</sup>Jane V. Hall, Victor Brajer, and Frederick W. Lurmann, Economic valuation of ozone-related school absences in the South Coast Air Basin of California. *Contemporary Economic Policy*, Vol. 21, No. 4, October 2003, 407-417.

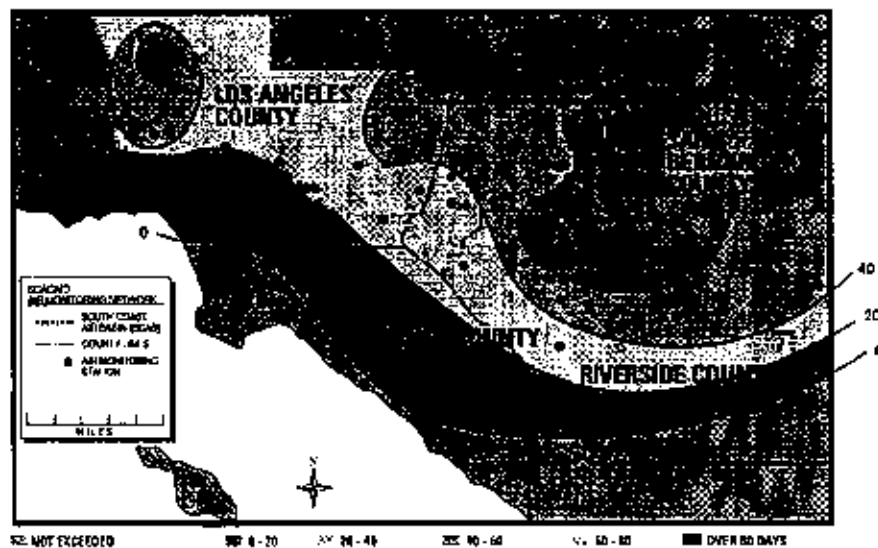
FIGURE 5:

ANNUAL AVERAGE  $PM_{2.5}$  CONCENTRATIONS, 2002 (ARITHMETIC MEAN,  $\mu g/m^3$ )[NOTE: THE CURRENT CALIFORNIA AIR RESOURCES BOARD STATE STANDARD IS  $12 \mu g/m^3$  AS AN ANNUAL AVERAGE]

Source: AQMD, Air Quality Standards Compliance Report, 2003.

FIGURE 6:

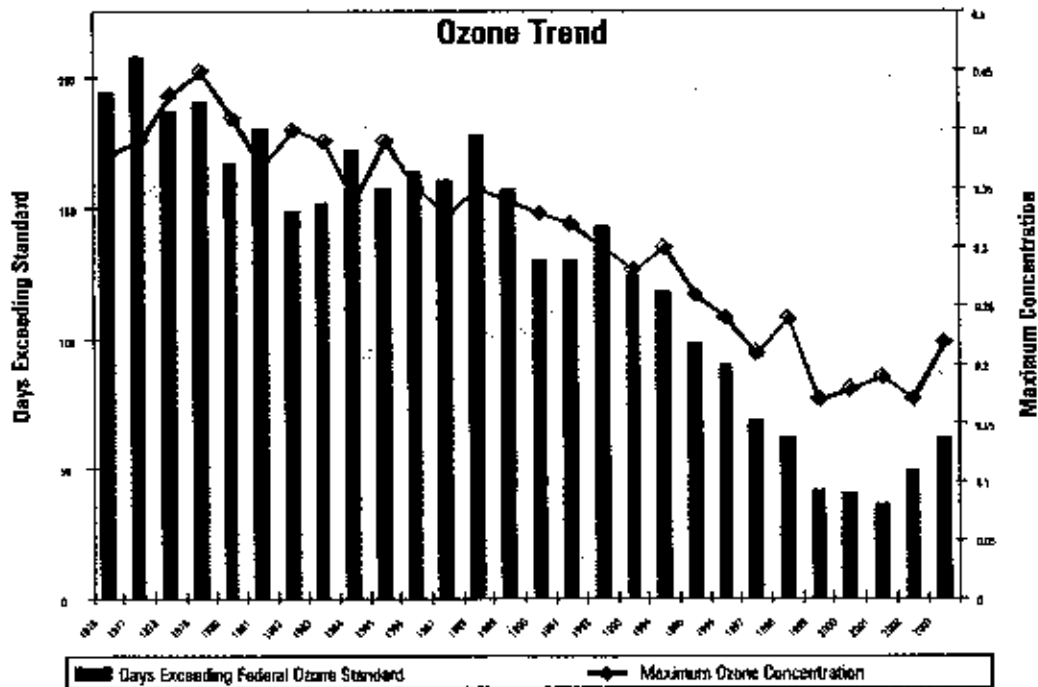
## NUMBER OF DAYS EXCEEDING THE FEDERAL 8-HR OZONE AIR QUALITY STANDARD IN 2003



Source: AQMD, Air Quality Standards Compliance Report, 2004.

FIGURE 7:

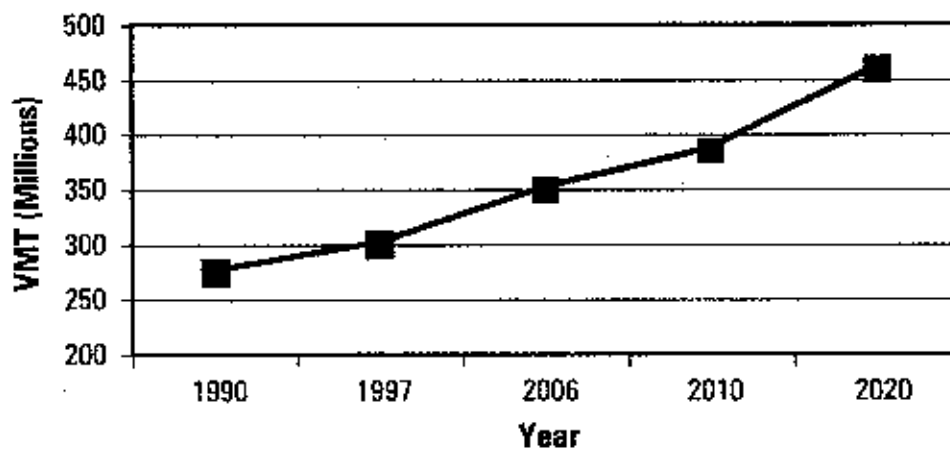
## OZONE AIR QUALITY TRENDS IN THE SCAQMD (1976 - 2003)



Source: AQMD, Air Quality Standards Compliance Report, 2004.

FIGURE 8:

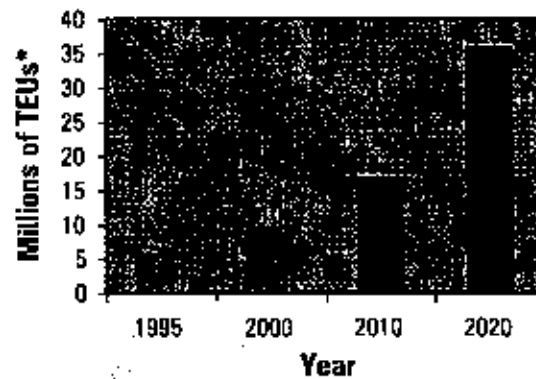
## DAILY VEHICLE MILES TRAVELED (VMT) IN 4-COUNTY REGION



Source: AQMD, Air Quality Management Plan 2003.

FIGURE 9:

## CONTAINER TRAFFIC FORECAST FOR THE PORTS OF LOS ANGELES AND LONG BEACH



\*TEU = a twenty-foot equivalent unit or a twenty-foot cargo container

Source: Data from Ports of Los Angeles and Long Beach, 2004.

increasing total vehicle miles traveled by 35%. [Fig. 8] In addition, the Los Angeles/Long Beach Port complex has become the world's third largest port, flooding the region with imported cargo containers [Fig. 9] transported by ships and freight trains operating on low-grade fuel along with big-rig trucks, which together emit tons of airborne pollutants. By 2025, twice as many diesel locomotives and big-rig diesel trucks will be needed to handle booming international trade, and the number of truck trips a day on the I-710 Freeway, alone, is expected to jump from 47,000 to 100,000 in 2025.<sup>5</sup>

**Local interests to clean the air are hampered by global and federal priorities**

Nearly all ships entering the two ports are foreign-flagged with their emissions virtually unregulated. Currently, locomotives and airplanes are covered by federal rules that require much less stringent emission controls than cars and trucks, even though the AQMD calls the port complex and the L.A. International Airport the region's two largest single sources of air pollution. Still more pollution will be emitted as U.S. roads open to unregulated Mexican trucks, the result of a recent Supreme Court decision upholding President Bush's authority (under free trade agreements) to allow the trucks through without any review of environmental effects. Without strict controls on these major emission sources under international and federal jurisdiction, state and local air pollution regulators are forced to require more controls on other sources, including small businesses, to reduce air pollution.

**Millions of children will be at increased risk if the air is not cleaned until 2021**

Some four million children younger than 18 live in the four-county region, breathing today's polluted air. CHS researchers studied adolescents who left the Los Angeles area and found that lung function growth improved in those who moved to areas with lower particle pollution. These findings strongly suggest that children currently living in more-polluted communities would derive immediate health benefits if the air became cleaner.

Failure to control all significant air pollution sources in the region on a tight timeline will hurt future generations, since new cars, SUVs, trucks, locomotives, and ships purchased today will spend many decades polluting the region's air. Between now and the 2021 EPA deadline for clean air, more than five million babies will be born in these counties and will be subjected to increased risk of respiratory problems from air pollution.

**Health effects may be preventable with cleanest available technology**

The AQMD director recently stated that the Los Angeles basin's air can be cleaned of mobile-source diesel pollution only by "deploying the cleanest commercially-available technologies as soon as possible."<sup>6</sup> For all vehicles, the region must (1) develop cleaner, low-emission engines or

<sup>5</sup> Meyer, Mohaddes Associates, Inc. Draft Port of Los Angeles Baseline Transportation Study, December 2003.

<sup>6</sup> Wallerstein, Barry. A local air district's view of diesel emissions. Presentation to the California Air Pollution Control Officers Association Conference on Diesel, January 27, 2004.

FIGURE 10:

### SOUTHERN CALIFORNIA REGIONAL TRAFFIC TRENDS AND AIR POLLUTION LEVELS: ROAD TO AN UNHEALTHY FUTURE?

2004 Children's Health Study Results: Today's Air is More-Polluted, Communities	Projections (constraints for reducing pollution)	Air Pollution Levels	Key control strategies needed to reduce traffic emissions	Steps to Protect Health
<ul style="list-style-type: none"> <li>↓ Children's lung function growth</li> <li>↑ Rate of school absences from acute respiratory problems; other pollution levels are high</li> <li>↑ Rate of asthma exacerbations</li> <li>↑ Economic costs to care for children who are sick and miss school</li> </ul>	<ul style="list-style-type: none"> <li>↑ Population - 22% increase by 2020</li> <li>↑ Cars and trucks - 35% increase by 2020 in vehicle miles traveled               <ul style="list-style-type: none"> <li>↑ Capacity of freeways</li> </ul> </li> <li>↑ International Trade - 300% increase in imported cargo containers by 2025               <ul style="list-style-type: none"> <li>↑ 200% increase in number of diesel locomotives</li> <li>↑ 240% increase in number of heavy trucks on I-710 and other freeways</li> <li>↑ Number of port containers</li> <li>↑ Number of cargo warehouses</li> <li>↑ Size of rail yards</li> <li>↑ Number of trucks from Mexico</li> </ul> </li> <li>↑ Capacity of Airports</li> </ul>	<ul style="list-style-type: none"> <li>↑ Gross levels on the rise during past 5 years; among highest in the U.S.</li> <li>↑ Particles (PM<sub>10</sub>) levels from on-road mobile sources will increase 4% by 2030, according to the Regional Transportation Plan of the Southern California Association of Governments (April 2004)</li> <li>↑ Particles (PM<sub>10</sub>) levels among highest in the U.S. No projections available. Federal regulations expected to require meeting a 2014 deadline.</li> </ul>	<ul style="list-style-type: none"> <li>↑ Use of alternative fuels</li> <li>↑ Number of low or zero emission vehicles</li> <li>↑ Fuel economy</li> <li>↑ Cleanup or retrofit of existing fleets</li> <li>↑ Removal of the most polluting engines</li> <li>↑ Public transit</li> <li>↑ Car pools</li> <li>↓ Travel demand (not vehicles less)</li> </ul>	<ul style="list-style-type: none"> <li>↑ Consideration of "health" in planning, land use, economic development, and transportation decisions</li> <li>↑ Evaluation of health effects/ economic costs</li> <li>↑ Education of public officials about the impacts of air pollution on health</li> <li>↓ Emissions from mobile sources under federal and international control</li> </ul>

2004  2021  
New state and federal rules expected to be implemented between 2004 - 2021 to address mobile source emissions  
**DEADLINE TO CLEAN THE AIR**

alternative fuels, (2) increase fuel economy, (3) clean up or retrofit existing fleets, and (4) remove the most-polluting engines from operation. Without success in these areas, other strategies to clean the air will not likely succeed.<sup>7</sup> A recent Supreme Court ruling, however, prohibits the AQMD from requiring private trucking and vehicle fleet operators to purchase low-polluting vehicles, again limiting local regulators who recognize the seriousness of Southern California's air pollution problem.

#### ***Transportation and land use decision makers need to integrate concerns about air pollution's adverse health impacts and related health costs***

Government agencies, planners and elected officials are striving to expand the four-county transportation infrastructure. They are pushing for expansion of freeways, rail facilities and bridges to move increasingly larger volumes of imported cargo from the ports to the rest of the country.<sup>8</sup> Advocates for economic development argue that expanding international trade, the ports, and related infrastructure is critical to the region's economic growth.<sup>9</sup> Yet, these discussions continue to omit significant public health considerations.

The challenge ahead is for regional planners, economists, elected officials and other decision-makers to develop an integrated approach to developing the region's infrastructure, with a high priority on protecting health.

This requires a proactive effort to develop a true dialogue with scientific researchers, air-pollution regulators, and impacted communities so that the health and well-being of the region's children does not fall victim to political and economic interests. Southern California might look to efforts of other regions that are incorporating guiding principles for sustainable transportation into their planning to reduce negative impacts on residents.<sup>10</sup> Without a visionary public health regulatory policy to reduce air pollution from *all* significant mobile sources — including ships, planes, locomotives, and some trucks under currently relaxed international and federal regulations — we are on the road to an unhealthy future for millions of Southern California children. [Fig. 10]

<sup>7</sup> Additional policy strategies, regulatory actions, and behavioral changes that could reduce air pollution, such as reducing travel demand, improving vehicle inspections, investing in public transit, and limiting urban sprawl can be found in Ref. #3.

<sup>8</sup> See, for example, Southern California Association of Governments, Goods Movement Program White Paper January 2007.

<sup>9</sup> See, for example, Los Angeles Economic Development Corporation, International Trade Trends and Impacts: The Southern California Region, 2003 Results and 2004 Outlook, May 2004.

<sup>10</sup> See, for example, OECD International Conference, Vancouver, Canada, 24-27 March, 1996, Guiding Principles for Sustainable Transportation. <http://www.gdrc.org/learn/sustain/sustain-principles.html> Resources: Ericka A. and Markuse K. "A Breath of Air: What Pollution is Doing to our Children," a 28 minute documentary video describing results of the CHS. Available in English and Spanish (free) from the California Air Resources Board: <http://www.arb.ca.gov/research/health/school/school.html>

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# MEMO

**DATE:** February 3, 2005

**TO:** Transportation & Communications Committee

**FROM:** Nancy Pfeffer, Senior Regional Planner, 213-236-1869, pfeffer@scag.ca.gov *Nancy*

**SUBJECT:** Goods Movement White Paper for Secretary of Business, Transportation & Housing

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## SUMMARY:

Staff have prepared a white paper on regional goods movement issues at the request of Business, Transportation & Housing (BT&H) Secretary Sunne McPeak. The paper describes current needs for the goods movement system and what the state and federal government can do to help the region meet these needs.

## BACKGROUND:

During Governor Schwarzenegger's Fall 2004 visit to Japan, he was criticized by government and business leaders for allowing congestion at the San Pedro Bay ports to impede the flow of goods from Asia to U.S. markets. On his return, the Governor tasked BT&H Secretary Sunne Wright McPeak with developing a strategy on this issue.

In late November the Secretary asked SCAG to work with the LA County Economic Development Corporation (LAEDC), the region's transportation agencies, goods movement system operators and other stakeholders to develop a white paper describing the region's needs. The paper was developed and provided in initial form to the Secretary for a fact-finding meeting with the principals – CEO's and other senior management – of the participants in the process on December 15, 2004, in Sacramento.

A copy of the paper in its current form ("proposed final version") is attached. Staff will update the Committee on the process of finalizing the paper and next steps at the regional and state levels.

SOUTHERN CALIFORNIA



ASSOCIATION OF  
GOVERNMENTS

**Main Office**

818 West Seventh Street

12th Floor

Los Angeles, California

90017-3435

1 (213) 236-1800

1 (213) 236-1825

[www.scag.ca.gov](http://www.scag.ca.gov)

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Valley • Lawrence Dale, Banning • Lee Ann Garcia,  
Grand Terrace • Susan Langston, San Bernardino •  
Gary O'Neil, Ontario • Deborah Rosterman, Rialto

**Ventura County:** Judy Whitt, Ventura County •  
Glen Becker, Shell Valley • Lori Alonzo, San  
Buenaventura • Tom Young, Port Hueneme

**Orange County Transportation Authority:**  
Charles Smith, Orange County

**Riverside County Transportation Commission:**  
Robin Loebe, Hemet

**Ventura County Transportation Commission:** Bill  
Davis, Santa Maria

December 13, 2004

Hon. Sunne Wright McPeak  
Secretary, Business, Transportation & Housing  
State of California  
980 9th Street  
Sacramento, CA 95814

Dear Secretary McPeak:

I am pleased to submit to you the materials you requested related to goods movement in Southern California. I understand and very much appreciate the Governor's interest in this issue, which is also of critical concern to SCAG and all the transportation agencies we work with.

You will find attached a brief (two-page) summary of the goods movement issues currently facing our region. It outlines the key short-term concerns, actions that have been taken, and actions that need to be taken to keep goods and people moving.

The two-page document is supported by a longer, technical white paper, also enclosed, that provides the details of the current situation in our region. I hope it will prove helpful to you and your staff as you work with the Governor on his action plan, and I will be happy to provide any additional information you may require in that effort.

I have also provided a few sentences on this topic for potential inclusion in the Governor's State of the State address in early January. An agenda for your December 15th meeting is enclosed as well.

The enclosed materials were developed in close collaboration with the county transportation commissions for Los Angeles, Orange, Riverside, San Bernardino, and Ventura, the Burlington Northern & Santa Fe Railway Company, Union Pacific Railroad, Alameda Corridor Transportation Authority, OnTrac, Alameda Corridor East Construction Authority, the Ports of Hueneme, Long Beach, and Los Angeles, Caltrans, Metrolink, and the Los Angeles County Economic Development Corporation. However, this is a complex issue with many actors, and a constantly evolving one. Many stakeholders remain to be brought into the process, and I look forward to working with you on that important effort.

Sincerely,

  
Mark Pisano  
Executive Director

cc: Chris Becker, OnTrac  
LaDonna DiCamillo, BNSF  
John Doherty, ACTA  
Diane Eidam, CTC  
Ginger Gherardi, VCTC  
Eric Haley, RCTC  
Jim Hankla, Port of Long Beach  
Lee Harrington, LAEDC  
Jess Herrera, Port of Hueneme  
Norm King, SANBAG  
Art Leahy, OCTA  
Scott Moore, Union Pacific  
Rick Richmond, ACE Construction Authority  
Brian Smith, Caltrans  
Roger Snoble, LACMTA  
David Solow, Metrolink  
Elizabeth Warren, LA Area Chamber of Commerce  
Tom Warren, Port of Los Angeles

## **Southern California Regional Strategy for Goods Movement: A Plan for Action**

This fall, Southern California experienced a bottleneck in freight movement through the San Pedro Bay ports. Ships waited days to enter the ports with goods for the holiday season bound for stores in California and beyond, and some ships diverted to other West Coast ports.

Through a combination of short-term actions, this immediate crisis is being relieved. First, the longshoremen's union has added 3,000 new hires to keep goods moving from the container ships.

Second, a new program called PierPass will collect container fees to fund extended gate hours. The addition of five new off-peak shifts will make productive use of more hours of the day. The ports are taking other actions to increase the use of rail to move goods, keeping trucks off the highways during peak traffic hours.

Third, \$2 billion in near-term construction projects are under way, including rail-highway grade crossing separations and truck climbing lanes, that will keep goods moving through the region once they leave the ports. Negotiations are occurring for the implementation of demonstration projects, such as a shuttle train that will relieve highway congestion related to goods movement.

These short-term actions are only the beginning. We will need to be, and will continue to be, vigilant over the next three to six years to make sure that these actions continue to keep the goods moving. In the meantime, the Governor and the U.S. Secretary of Transportation have the opportunity to plan for the future, when the volume of freight transportation through Southern California will double or even triple.

Our success is contingent on our ability to address four overarching issues:

1. We must address community concerns over air pollution, health impacts, and other impacts of freight movement by ship, truck, and rail. To assure this, only projects that have environmental and community clearance can be brought forward. This should be accomplished through a master-level environmental impact review. Acceleration of both the federal and state review processes is needed to facilitate such an effort. Further, it is important that the California Environmental Protection Agency and Air Resources Board take a leadership role in reducing air pollution from the ports and related sources. It is also important that international standards for ship emissions be imposed through U.S. ratification of MARPOL Annex VI.
2. Goods movement projects must be funded through a variety of non-traditional means that do not compete with traditional transportation revenues. Other potential sources of funding include user or beneficiary fees, tax credit

instruments, private activity bonds, and federal loans and loan guarantees. The region has already requested over \$1 billion in federal funding for Projects of National and Regional Significance through the reauthorization of TEA-21, but this is only a small portion of the total funding needed for the regional system.

3. Projects must be facilitated through the use of innovative procurement arrangements, such as the design-build method, that compress the project delivery timeline. Changes to state law are needed to make this process more widely applicable.
4. In achieving these ends, the region and state must speak with one voice to the federal government. The Governor's leadership and his initiative to collaborate with the White House, Secretary of Transportation, and Congress on these issues are essential to success.

With these tools in place, Southern California can proceed to implement a variety of short- and long-term actions that will respond to the growing demand for goods movement while mitigating community impact.

By 2010, the region will need additional freight rail capacity to keep pace with goods movement demand. New intermodal facilities will also be needed to transfer goods between truck and rail. Dedicated truck lanes should be added to several area freeways to increase the speed and safety of goods moving by highway. Again, these projects must be accompanied by mitigation of local impacts – for example, through the separation of at-grade crossings and the widespread adoption of cleaner fuels. The attached map shows needed additions to the Southern California goods movement system.

Important as these investments are to the region's quality of life, they have a significant economic benefit for the region and for the state. Logistics jobs are high-paying – more on average than construction or manufacturing. Just by investing in new freight rail capacity and truck lanes, Southern California could add 277,000 jobs and produce over \$2.1 billion over the next six years in additional federal, state, and local tax revenue. Thus, these investments can help balance the state budget. We have the opportunity to shape a more prosperous future for California by supporting and implementing these goods movement actions.



**Southern California Regional Strategy for Goods  
Movement: A Plan for Action  
December 2004**

**I. The Need: Goods Movement is a Challenge That Affects Everyone**

Keeping freight moving through Southern California to the region and the rest of the nation has always been a challenge, but this is a particularly difficult time. This fall, container ships were lined up outside the San Pedro Bay ports, where a labor shortage slowed the offloading of goods arriving for the holiday shopping season. Intermodal yards in Los Angeles and San Bernardino counties have nearly reached their capacity to transfer containers from trucks to rail, and ~~are a local bottleneck in the process. Freight railroads are so busy that they have raised their rates and have~~ limited the volume of freight they receive into their yards. Freight volumes are expected to at least double and maybe triple in the next two decades – and all recent projections have turned out to be underestimates.

Running counter to all this demand is a rising tide of community pressure to reduce the traffic congestion and related public health impacts of goods movement. Facing criticism from air quality advocates, the Board of Harbor Commissioners of the Port of Long Beach recently rejected an environmental impact report for the Pier J expansion, and port staff estimates it will take a year to complete a more detailed analysis. New studies have shown that children's lung growth is impaired by air pollution arising from mobile sources such as trucks. In addressing congestion on the 710 freeway – a major regional artery for goods movement – a Community Advisory Committee has given its input to the Los Angeles County Metropolitan Transportation Authority: "Health is the overriding consideration. Air quality is the number one public health issue."

The economic health of the region, state, and nation is also at stake, as is economic ~~justice~~ opportunity for all the region's inhabitants. Failure to resolve the infrastructure and environmental issues will result in slower growth and inevitable job losses throughout the economy. The logistics industry provides critical job opportunities ~~for our region's citizens,~~ particularly those with ~~marginal~~ limited formal educations. As a group, the logistics sectors pay better than either construction or manufacturing. They provide reasonable entry-level pay and defined skill ladders ~~up which workers can~~ that enable workers to move to higher incomes by on-the-job learning and experience. In this respect, they offer these workers access to the kinds of career paths lost with the demise of traditional manufacturing.

At root, this is an issue of global competitiveness for the region, the state, and the nation. Southern California is a global gateway for freight – well over half of the goods coming into our ports are just passing through – but it receives more of the burdens and fewer of the benefits than it should. With public funding in short supply, however, we must also face the reality that public-private partnerships will be the cornerstone of any realistic plan of finance.

## **II. Fundamental Principles and Strategies the Region Has Agreed to Follow**

The region's transportation agencies and goods movement system operators have ~~agreed~~ proposed ~~that the following principles should to guide the process of improving effort to~~ improve the regional goods movement system.

*Principle 1) Environmental and community impact mitigation must be integral to the goods movement program.*

- There must be a stronger federal-state partnership to reduce emissions from trucks, ships, trains, and other sources outside local jurisdiction.
- The Governor should work with the President to regulate emissions from foreign-registry vessels via treaty ratification and other international actions. Specifically, the Governor should advocate for the U.S. Senate's ratification of MARPOL Annex VI relating to the control of emissions from ships and for the International Maritime Organization's (IMO) adoption of a Sulfur Emission Control Area (SECA) for U.S. coastal waters.
- The Governor should promptly implement his commitment to direct the California Environmental Protection Agency and California Air Resources Board (CARB) to develop an innovative program to reduce air pollution from the ports.
- Other community impacts, such as noise, congestion, and visual blight, should be addressed in a system-wide environmental review under the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). The system-wide environmental review should encompass both land- and sea-side environmental impacts. The Governor can help facilitate this review through reform of CEQA to focus on mitigation and an expedited documentation process.<sup>1</sup>

*Principle 2) Improvements to the goods movement system should not come at the expense of other transportation system investments.*

- Other sources of public and private funds must be tapped (homeland security, environmental protection, defense funds, ~~private-user~~ fees, and growth in customs fees, among others).
- Both the Federal and State governments must act to support innovative procurement and public-private funding mechanisms.

*Principle 3) Investments in the regional goods movement system should be made to realize regional benefits that have statewide implications.*

<sup>1</sup> ~~At the December 15<sup>th</sup> meeting, the Secretary and the Principals will discuss~~ Further details are being developed on institutional arrangements for implementing changes to environmental documentation.



- **Performance Benefits**

The performance-based approach to evaluating transportation investments has shown specific performance benefits. For example, analysis of a proposed dedicated truckway on State Route 60 showed a reduction of more than 50 million vehicle hours of delay annually and a return of \$5.92 for every dollar invested in the project. Similarly, a dedicated truckway on Interstate 710 connecting the Ports of Los Angeles and Long Beach to State Route 60 near downtown Los Angeles could reduce over 36 million vehicle hours of delay annually and generate a return of \$4.66 for every dollar invested. These dollar returns include savings from reduced delay, accident reduction, reduced vehicle operating costs, and air quality benefits. They show how specific investments in truckways, for example, can have benefits for both trucks and all other users of the transportation system.

On the freight rail side, the Alameda Corridor project has reduced emissions from idling cars and trucks by 54 percent and cut travel time to 45 minutes from two hours. The Alameda Corridor East and other grade separation projects seek to extend these benefits regionwide.

- **Environmental Benefits**

The 2004 Regional Transportation Plan (RTP) explores market-based strategies that can mitigate congestion and associated emissions while accommodating expected increases in trade activity. For instance, user-supported dedicated facilities for goods movement could help bolster the economy, improve safety, relieve congestion, and, if implemented with clean technologies, help improve air quality at the ports, throughout Southern California, and beyond.

Air quality mitigation must be fully integrated into the goods movement system improvements. Substantial air quality benefits can be realized by accelerating fleet modernization and retrofitting trucks, ships, and trains with cleaner technologies. Investment in modernizing and retrofitting the goods movement fleet is one of the most cost-effective methods to reduce emissions of particulate matter (PM) and smog-forming nitrogen oxides (NOx). An investment of approximately \$300 million a year for the next five years could potentially remove the 50,000 dirtiest diesel trucks from Southern California, which would achieve a 50% reduction of NOx and an 80% reduction in PM emissions from these trucks. Retrofitting locomotives, marine vessels, and diesel equipment could also provide a cost-effective investment to reduce tons of NOx and PM per day.

Of the roughly 33 tons of NOx that cargo ships emit at the two ports each day, about 40% are emitted from ships while they are docked. Thus the potential benefits for retrofitting ships and the port facilities to permit cold-ironing are

substantial. It is estimated that the costs of installing the dockside infrastructure might range from \$750,000 to \$5 million per berth, and the costs of retrofitting ships might range from \$200,000 to \$1 million. Vessel speed reduction programs can further reduce emissions from cargo ships and provide substantial fuel consumption and fuel cost savings.

- **Economic Benefits**

The freight logistics industry – wholesale trade, warehousing, and transportation sectors – represents over 8 percent of the SCAG region's total employment, or 611,000 jobs in 2003<sup>2</sup>. Since 1990, the logistics industry has contributed more than 12 percent of total job growth in the region. SCAG's projection shows that the industry will almost double its employment size by 2030, to reach over 1,000,000 jobs and account for almost 10 percent of regional employment.

Moreover, over a quarter million manufacturing jobs directly related to merchandise exports are supported by the logistics infrastructure. The industry also pays well: its average weekly pay – \$847 in 2003 – is more than two times the pay in the leisure and hospitality sectors (\$400/week), and is even higher than average weekly pay in manufacturing (\$843).

SCAG has estimated the economic value to the region of just a portion of the goods movement infrastructure investments detailed above. The following table summarizes the overall economic impacts of investing in a regional truck lane system and adding freight rail capacity. The region is expected to gain a total of almost 277,000 jobs from implementation of these projects, and average wages for these jobs range between 12 and 28 percent higher than existing average salaries.

**Table 1. Overall Economic Impacts of Regional Goods Movement Initiatives<sup>3</sup>**

OVERALL ECONOMIC IMPACTS OF THE REGIONAL GOODS MOVEMENT INITIATIVES											
	Employment Impacts (Jobs)				Income Impacts (\$Million)				Tax Impacts (\$Million)		
	Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total	Federal	State & Local	Total
Truckways	123,306	51,824	51,909	227,040	4,424.2	1,999.7	1,333.5	7,757.4	1,328	426	1,752
Rail Investment	24,921	13,689	11,265	49,875	923.1	492.0	289.4	1,704.5	291	94	385
<b>Total</b>	<b>148,227</b>	<b>65,514</b>	<b>63,174</b>	<b>276,915</b>	<b>5,347.3</b>	<b>2,491.8</b>	<b>1,622.9</b>	<b>9,461.9</b>	<b>1,617.9</b>	<b>519.7</b>	<b>2,137.6</b>

SOURCE: SCAG IMPLAN INPUT-OUTPUT MODEL

*Principle 4) Without leadership and collective action at the state and national level, we will not be able to realize these benefits.*

<sup>2</sup> This is a conservative estimate in that it does not include transportation and warehousing functions performed in-house by many businesses.

<sup>3</sup> Based upon \$20 billion invested between now and 2020.

- The Governor should support legislation to provide for innovative project procurement and financing and to streamline state environmental review procedures.<sup>4</sup>
- The Governor should work with the U.S. Secretary of Transportation and Congress to support specific elements of pending federal legislation beneficial to goods movement (i.e., the National Corridor Infrastructure Improvement Program, Freight Intermodal Connectors, and Projects of National and Regional Significance), and to support streamlining of federal environmental review.
- The Governor should seek White House approval to include a master Environmental Impact Statement (EIS) in support of this initiative on the President's list of streamlined EISs.<sup>5</sup>
- The Governor and regional stakeholders should work with the new U.S. Department of Transportation Southern California Gateway office in Long Beach on local implementation of new national and state policies.

### **III. How the Goods Move Today**

Goods move into, out of, and within Southern California via a complex system of transportation facilities and agencies. This system links the region to the rest of the state and to the nation, helping to sustain the region's economy and contributing to our quality of life.

The regional goods movement system includes three seaports (Los Angeles, Long Beach, and Hueneme), several commercial airports actively handling cargo, six rail intermodal yards – five in Los Angeles County and one in San Bernardino County – and a growing array of trucking and distribution centers, warehouses, manufacturing and retailing venues. Within the region, goods travel to and between these points via eight railroad mainlines, additional branch lines, and four short line railroads, as well as by the region's freeways and many arterial and local streets.

Map 1 shows the existing regional goods movement system.

### **IV. A Unified Goods Movement System Solution, and How to Pay for It<sup>6</sup>**

It is clear that substantial investment will be needed to provide the infrastructure to carry goods to and through Southern California safely, quickly, with minimal local cost and with maximum local economic benefit. This need arises at a time when public funds are extremely limited. SCAG and its member counties are working with Sacramento and Washington to

<sup>4</sup> In order to implement this, we need a responsible state agency or other institution to function as the lead agency.

<sup>5</sup> President Bush's 2002 Executive Order 13274 instructs DOT to select priority transportation projects for a streamlined environmental decision-making process.

<sup>6</sup> ~~At the December 15<sup>th</sup> meeting, the Secretary and the Principals will discuss~~ Further detail is being developed on the finance mechanisms for goods movement improvements ~~that will include~~ a discussion of tax credit bonds at the state or federal level and other financial mechanisms as appropriate.

direct a more equitable share of transportation funding to the region relative to the value we now contribute to other parts of the country.

The transportation agencies, railroads, ports, and other operators of the region's goods movement system have been working together for some time to address the growing demand. Section V of this paper provides further details about the short- and long-term operational and infrastructure changes under way in the region.

A consensus is emerging on the specific projects and investments that are needed in the region to keep freight moving, mitigate environmental and community impacts, and avoid the loss of job and tax revenue growth. However, it is important to recognize that as the system develops, the regional understanding of needs evolves. Table 2 below lists major projects that are currently understood to be needed over the next ten years, with a total cost that approaches \$30 billion.

Table 2. Southern California Regional Goods Movement System: Potential Needs (Fall 2004)

Project	Approx. Total Cost (\$Millions)
Alameda Corridor East	\$2,500
Colton Rail Grade Separation	\$90
Rail Capacity Improvements (all counties, includes mitigation measures)	\$3,400
Near-Dock Intermodal Facility, LA/LB <sup>a</sup>	TBD
New Rail San Fernando to Antelope Valley <sup>a</sup>	TBD
Port/Rail Intermodal Access, Ventura	\$18
Santa Paula Branch Line to Port Hueneme <sup>a</sup>	TBD
Shuttle Train Inland Terminal <sup>a</sup>	TBD
<b>Rail/Grade Separation Subtotal</b>	<b>\$6,008</b>
SR-57 Truck Climbing Lane	\$68
SR-91 Truck Storage Lane	\$5
I-15 Truckway	\$10,100
SR-60 Truckway <sup>b</sup>	\$4,300
I-5 Truckway <sup>a,b</sup>	TBD
I-710 Corridor/Gerald Desmond Bridge Gateway Program	
• Gerald Desmond Bridge	\$711
• I-710 Corridor <sup>c</sup>	\$4,500
SR-78/Brawley Bypass <sup>d</sup>	\$108
SR-47 Improvements and Shuttle Train Inland Terminal	\$4,520
110 Freeway/SR-47/Vincent Thomas Br.	\$23
<b>Highway/Other Subtotal</b>	<b>\$19,935</b>
<b>Grand Total</b>	<b>\$25,943</b>

Notes:

- These projects have been identified since the adoption of the financially constrained 2004 RTP. Costs still need to be determined for these projects.
- Route and scope may change depending on the results of the Multi-County Goods Movement Action Plan (see Section V).
- The \$4.5 billion cost estimate is based upon more recent corridor analyses/studies assuming a broader project scope than what is currently reflected in the 2004 RTP at \$2.2 billion.
- Costs reflect total project costs even though phases may be programmed in the current TJP

Members of Southern California's congressional delegation have requested \$745 and \$900 million in funding for the I-710/Desmond Program and Alameda Corridor East, respectively, as Projects of National and Regional Significance under the reauthorization of the Transportation Equity Act for the 21<sup>st</sup> Century. Clearly, these requests are only first steps towards meeting the regional needs outlined above. Map 2 shows the regional goods movement system as it would look with these investments. (The map does not include projects whose precise locations are not yet known.)

It is important to note that, in recommending a system-wide environmental review process, the region does not intend to delay the implementation of projects that are already in progress or that do not require environmental clearance. For all the reasons stated earlier, it is critical to continue to improve the goods movement system as quickly as possible.

Again, given current limits on local and state finances, innovative methods will be needed to procure and pay for these system improvements. Policy makers have the responsibility to enhance innovative financing opportunities so that public funds can better support critical goods movement projects that contribute to the national economy, local communities, and the environment. Accordingly, regional goods movement financing recommendations include the expansion of existing federal credit enhancement programs and the establishment of tax incentives to facilitate public-private partnerships in conjunction with user/beneficiary fees and more efficient procurement arrangements, as briefly outlined below:

- a) **Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA)** – The TIFIA program provides direct federal loans, loan guarantees, and standby lines of credit to large projects of national significance. The program must be expanded to include broader eligibility provisions for application to goods movement projects including privately owned freight rail infrastructure. Further, access to TIFIA credit enhancement tools must be facilitated by establishing a pre-TIFIA equity infusion or "pipeline" program whereby federal assistance in the form of direct grants are provided to advance projects to at least 30 percent design – covering early stage development phase activities, which often present substantial risks and challenges for private sector partners. Accordingly, federal assistance targeted during this initial development phase can induce private sector co-investment and further bridge the gap for accessing already existing innovative financing mechanisms.
- b) **Tax-exempt private activity bonds for goods movement facilities** – State and local governments currently utilize the most common method of borrowing to support the development of infrastructure by issuing municipal bonds – backed by dedicated revenue streams. Municipal bonds are interest bearing obligations issued by state or local governments to finance public facilities. The interest paid to investors is exempt from federal income tax and sometimes state income tax, providing considerable savings to borrowers/project sponsors – approximately a 20-25% interest saving in present value terms. Access to the tax-exempt municipal bond market has been critical in serving as a form of federal assistance to states and localities for investment in infrastructure.

However, the issuance of tax-exempt bonds is subject to a complex set of federal regulations and restrictions, particularly when the project being financed involve private sector participation – then considered private activity financing. Federal assistance programs, however, must be targeted to encourage public-private partnerships in the development of goods movement facilities that generates economic returns as well as spillover public benefits (safety, mobility, air quality, and national security). Federal programs must encourage projects that have revenue-generating ability and private sector co-investment.

- c) **Tax-credit bonds for goods movement facilities**<sup>7</sup> – Tax credit bonds currently in existence include Qualified Zone Academy Bonds (QZABs) to finance improvements in public schools located in disadvantaged areas. These instruments effectively offer zero interest cost borrowing, representing more than 50% saving in present value terms to borrowers/project sponsors – indeed, a substantially deeper subsidy than even tax-exempt bonds could provide. Similar to the existing QZAB program, the proposed tax credit bond pilot program for freight infrastructure development would be structured more generally as follows:
- Project sponsors would be responsible for only the principal portion of the debt (backed by project generated revenues).
  - Project sponsors would establish a sinking fund deposit and collect investment earnings to repay the principal at maturity (20 years).
  - The U.S. Treasury would pay the “interest” portion of the debt through taxable federal income tax credits.
  - Tax credits may be decoupled – stripped such that the principal and credit components can be sold separately, improving market efficiency and expanding buyers base to pension funds and individual investors.
  - Tax credits may be transferred through sale and repurchase agreements.
- d) **Tax Credit Equity** – Another strategy being considered includes the use of tax credit equity financing whereby investors would contribute up-front capital to fund two-thirds of the project costs, and in turn receive annual tax credit, plus principal at maturity. The project sponsor, on the other hand, would make up-front matching contributions to fund the remaining one-third of project costs. Tax credit equity financing could be structured similarly to the New Markets Tax Credit program -- which was established by the Community Renewal Tax Relief Act of 2000 to stimulate equity investment in the economic development of low-income communities-- for commercial and mixed use facilities.
- e) **User/Beneficiary Fees** -- The use of any of the aforementioned federal credit enhancement and/or tax incentive programs must be targeted for projects that have revenue-generating ability and/or a form of user/beneficiary fee component to pay back the principal associated with construction as well as mitigation needs. The proposed business model approach would enable private sector partners to address their capital

<sup>7</sup> The Multi-County Goods Movement Action Plan (see Section V) proposes that this issue needs to be reviewed and resolved at the State level.

improvement needs with lower-cost federal financing instruments while also addressing mitigation measures necessary to accommodate growth in freight traffic through local communities.

- f) **Innovative Procurement Arrangements/Project Delivery Systems** – Project delivery systems are defined by the development process and procurement methods utilized to implement projects in a timely and cost-effective manner. Innovative methods to project delivery include design-build (and further variations such as design-build-operate, design-build-operate-transfer, and design-build-transfer-operate). Each option provides advantages depending on the project. Essentially, the design-build method further facilitates the project development process by forging the designer and builder into a single contract to provide design and construction services and transfer the construction risk from the public agency. This method condenses the project timeline by compressing the delivery process from two distinct phases into one. Employing innovative project delivery methods can accelerate project completion, which in turn results in cost-savings.

Under California law, the construction portion of most public works contracts must be awarded on a least-cost basis. Accordingly, only transit agencies and selected local jurisdictions have the requisite statutory authorizations to employ innovative project delivery methods such as design-build. Moreover, a few large projects in California have utilized innovative project delivery methods by seeking special legislative authority. In order to facilitate a public-private partnership framework, innovative procurement/project delivery systems must be authorized.

Traditional grant programs alone cannot provide all the needed resources to efficiently deliver critical projects in the SCAG region. There must be greater incentives and flexibility in the use of debt and equity financing for goods movement projects capable of generating creditworthy revenue streams and providing substantial economic benefits beyond the local parameters of the project. Concurrently, efficient procurement/project delivery systems must be utilized to fully realize public benefits.

## **V. How We Are Improving the Goods Movement System Currently**

Southern California has taken many steps to keep goods moving through the region. One of the most noteworthy accomplishments is the Alameda Corridor, a freight rail “expressway” completed in 2002 between the ports and the transcontinental rail network in downtown Los Angeles that speeds freight through in less than half the previous time and in an environmentally friendly manner. Over the past six years the Ports of Los Angeles and Long Beach have spent close to \$800 million for on-dock rail facilities and highway improvements on regionally significant routes to help facilitate goods movement and reduce highway congestion.

In recognition of the immediate pressures in the region, many additional initiatives are already under way. These efforts range from privately initiated operational changes at the San Pedro Bay ports to public infrastructure projects on inland freeways. The 2004 Regional

Transportation Improvement Program (RTIP), for example, contains \$2 billion in goods-movement-related projects that are slated to start within the next six years.

The following sections briefly describe three categories of initiatives:

- Operating enhancements
- Environmental mitigations/enhancements, and
- System/physical enhancements.

Each category includes both short-term actions – generally, those that will have an effect immediately, or within about the next five years – and longer-term actions. These initiatives demonstrate accountability by following the state’s preferred hierarchy of transportation system actions: from preserving and improving the performance of the existing system, through the use of technology to improve operations and reduce impacts, to the last-resort of capital expenditure on system expansion. Even with the current operational and technology initiatives, there is no question that substantial investments in system expansion are needed for the Southern California goods movement system.

#### Operating Enhancements

The following operational initiatives are essentially all short-term strategies. *It is critical to understand that even if all these strategies are successful, they will get us through only the next five years.* Thus, the region must work now to develop plans and funding sources for longer-term efforts.

- a) **Extended San Pedro Bay Port Gate Hours (“PierPass”)** – Although 18-20% of the current marine terminal gate volumes move during off-peak hours, most containers enter or exit terminals during the day shift from 8:00 a.m. to 5:00 p.m. Terminal operators at the Ports of Los Angeles and Long Beach have developed a plan to introduce five additional off-peak shifts per week at all 13 terminals. The goal is to make better use of available roadway capacity at night and on the weekend and try to shift 40% or more to off-peak hours. PierPass, Inc. is a special purpose entity created to administer the program.

Starting at the end of the first quarter 2005, PierPass will collect a container fee (initially set at \$20 per twenty-foot equivalent unit or TEU) from importers/exporters or their agents. A refund will be given for containers that use off-peak gates (defined as the night shift from 5:00 p.m. to 3:00 a.m. and weekends). The following movements will be exempt from the fee: domestic transshipments (containers transferred from one ship to another in domestic trade), empty containers, chassis, domestic cargo (including Hawaii and Guam), and those containers subject to the Alameda Corridor Transportation Authority (ACTA) fees. A recent survey by ACTA of warehouse and distribution center operators indicates willingness to extend their own operating hours to meet the ports’ extended gate operations.



Marine terminal operators developed the PierPass program in response to AB 2041 submitted by Assemblymember Alan Lowenthal in the 2004 legislative session. The bill would have imposed a fee on daytime gate moves, but the Assemblymember agreed to withdraw the bill after the industry developed its own plan.

- b) **Addition of Labor at the San Pedro Bay Ports** – In the summer of 2004, the Pacific Maritime Association reached agreement with the International Longshore and Warehouse Union to hire 3,000 additional “casual” (non-registered) workers to alleviate a labor shortage at the two ports. Since September over 3,000 new casuals have been trained and certified. An additional 2,000 existing “casual” workers have also been promoted into the registered ranks of the union. This brings the total number of regular and casual workers up to over 12,000 members, with the plan to increase the membership to close to 15,000 within a year.
- c) **Virtual Container Yard** – A “virtual” container yard (VCY) would be an Internet-based matching service for empty containers. A local import container load is transported by truck to a warehouse or distribution center. Once that container is unloaded it is typically hauled back empty to the port terminal. But what if that empty container could meet the needs of an exporter in the region? The container could be transported to the export location and then sent back loaded to the port. This would also avoid the necessity of dispatching an empty container from the port to pick up an export load. The intent of the VCY is to reduce the vehicle miles of travel associated with the movement of empty containers.

It has been estimated that approximately 2% of the import containers are currently taken directly to exporters. The goal of the VCY is to increase that percentage to at least 10%. The ports and ACTA hope to implement a VCY in 2005.

- d) **Increased Use of On-Dock Rail Yards** – Approximately 18% of all containers moving through the Ports of Los Angeles and Long Beach are transferred to and from trains at “on-dock” rail yards; i.e., yards that are located on or very near the marine terminal. This is distinguished from yards that are “near-dock”, such as the Intermodal Container Transfer Facility (ICTF), which is about 4.5 miles north of the ports, and “off-dock” rail yards located about 20 miles north of the ports near downtown Los Angeles.

Increasing the use of on-dock yards can reduce pressure on the freeway system, because containers that are loaded on-dock do not have to be trucked to more distant rail yards. To ensure port customers use on-dock intermodal rail to the fullest extent, the ports are investigating the following operational improvements to increase the use of on-dock yards:

- work with the railroads to assure timely arrival of empty intermodal equipment and the availability of rail crews
- work to improve the productivity of loading and unloading of rail cars
- promote the use of “block swap” operations to maximize the number of rail cars loaded on dock

- alter business practices to prevent storage of containers on rail lines at on-dock terminals.

In the long run, major improvements to rail infrastructure in the port area, particularly on the Long Beach side, will be required to accommodate increases in on-dock use. These improvements include new on-dock rail yards, additional storage tracks and arrival/departure tracks, and improved signaling and train control systems. However, these improvements will take longer than five years to implement.

- e) **Shuttle Train Pilot Project** – About 82% of the containers using the Ports of Los Angeles and Long Beach are trucked. Those containers that are trucked to warehouses in the Inland Empire could conceivably be hauled by rail from cargo terminals to an inland rail yard, where they could be transferred to truck for a shorter dray to the warehouse. ACTA is actively promoting a “demonstration project” for this concept and hopes to have a system in operation by the end of 2005. The principal obstacle to short-haul rail is that it is more expensive than trucking, and would require a public subsidy at least for the short term.
- f) **Short-Sea Shipping** – Short-sea shipping can provide an alternative freight traffic route via coastal waterways, and can be more fuel-efficient and cost-effective than highway or rail transportation. The Port of Hueneme is seeking to create a short-sea shipping or fast-ship terminal to facilitate this type of domestic waterborne shipping along the West Coast.

#### Environmental Mitigations/Enhancements

The Ports of Los Angeles and Long Beach have been working very hard to reduce pollution from port operations. Key port initiatives include:

- a) **Cold-ironing Study** – This program evaluates the potential for on-shore electrical power for ships at berth in lieu of using their onboard diesel engines to generate electrical power. This is a cost-effective strategy in the case of ships that spend extended periods of time in port.
- b) **Vessel Speed Reduction Program** – This is a voluntary program for ships to reduce speed to 12 knots within 20 miles of the harbor, which results in substantial fuel consumption and fuel cost savings, and associated emission reduction benefits. This program has been in effect since 2001, and is thought to have reduced NOx emissions by an estimated one to two tons per day, out of an estimated 50 tons per day produced by all ships (including cargo vessels) and commercial boats at the two ports.
- c) **Vessel Retrofit Program** – This program seeks to implement cost-effective technology retrofits such as in-line fuel emulsifiers, slide valves, and Marine Diesel Oil.
- d) **Smoke Stack Emissions Program** – This program involves Harbor Patrol observation and reporting to the South Coast Air Quality Management District (SCAQMD) of excessive smoke and soot emissions from ships.

- e) **Particulate Fallout Program** – This project reduces fugitive dust fallout from petroleum coke operations.
- f) **Harbor Department Fleet Conversion** – This program involves use of hybrids, clean diesel fuels, engine retrofits, and alternative fuels (e.g., LPG or CNG) for fleet vehicles (street sweepers, patrol cars, etc.)
- g) **Diesel Emission Reduction Program** – This program has two components: encouraging the use of emulsified diesel fuel in port terminal equipment, so as to permit the retrofit of port terminal equipment with Diesel Oxidation Catalysts. This involves providing incentives for the use of emulsified diesel fuel and installing diesel oxidation catalysts (DOCs) on terminal equipment. The specific fuel selected for this program is verified by CARB to reduce NOx by 14% and PM by over 60%. Diesel Particulate Filters (DPF) and Selective Catalytic Reduction (SCR) technologies are now permitting both NOx and PM emission reductions from diesel engines. Accelerating their adoption will prove beneficial in the control of port-related emissions.
- h) **Liquefied Natural Gas (LNG) Yard Hostler Project** – This is a pilot project to determine the feasibility of using LNG for terminal yard hostlers, the small tractors that move containers on chassis within the terminal.
- i) **Clean Diesel Fuel for Construction Equipment Program** – This program requires all construction equipment fueled on-site to use ultra-low sulfur diesel fuel.
- j) **Switch Locomotive Fleet Replacement Program** – The ports, along with the Carl Moyer Program, are negotiating with Pacific Harbor Line (PHL), the railroad that performs local switching in the harbor area, to replace PHL's locomotive fleet with cleaner locomotives. Once the agreements have been implemented, it is expected that the entire fleet of switch locomotives can be replaced with more efficient machinery within a two-year period, resulting in a reduction of NOx emissions by approximately 70 percent. An experimental program is testing the effectiveness of hybrid locomotive engines, in place of conventional diesel.

Outside the ports, other local initiatives are contributing to the immediate reduction of goods movement impacts on air quality. The Gateway Cities Clean Air Program provides financial incentives in support of diesel truck fleet modernization and improvements to off-road commercial vehicles. This pilot program began in 2002 and receives funding support from U.S. Environmental Protection Agency (EPA), CARB, the Port of Long Beach, the Port of Los Angeles, and the SCAQMD.

The fleet modernization program compensates owners of 1986 or older trucks when they buy a 1999 or newer used diesel truck that is more reliable, cleaner, and fuel-efficient. An average grant is between \$20,000 to and \$25,000, reducing the cost of converting to lower-emitting and cleaner trucks by about 60%. Preference is given to truck owners engaged in port-related goods movement. In general, each truck modernization grant generates a 50% reduction in

NOx emissions and a 80% reduction in PM emissions. The program is expected to reduce NOx and PM emissions by an estimated 340 tons and 85 tons, respectively, over the next five years. The off-road vehicle improvement program, operating in conjunction with the Port of Long Beach Healthy Harbor Initiative, focuses on retrofitting diesel terminal equipment with diesel oxidation catalysts, which can reduce particulate matter emissions by 25 percent. This program is expected to reduce NOx emissions from off-road equipment by some 20-30 tons and PM emissions by about 3.5-4 tons, resulting in an estimated 20% reduction in NOx emissions and a 50% reduction in PM emissions.

The current pilot program is anticipated to replace about 500 trucks, reducing NOx by about 1.07 tons per day and PM by about 0.24 tons per day. The program hopes to expand its scope to target a goal of replacing 50% of the pre-1983 heavy-duty trucks in Los Angeles County, replacing about 3,000 trucks in all. This fleet modernization strategy has an estimated cost-effectiveness of \$7,200 to \$ 9,000 per ton of NOx emissions reduced. This goal would require a funding level of \$84.5 million, of which \$13.86 million have already been raised.

At the state level, ~~the~~ CARB's Carl Moyer Memorial Air Quality Standards Attainment Program is providing funds to help speed up the introduction and use of low-emission heavy-duty engines. A wide array of goods movement equipment is eligible for the program, including cleaner on-road, off-road, marine, locomotive, forklifts, and airport ground support equipment. The program achieves near-term reductions in emissions of oxides of nitrogen (NOx) by incentivizing the incremental cost of cleaner than required engines and equipment.

Unfortunately, there are some air pollution issues that are beyond the direct control of the region, the states and even the United States. The International Maritime Organization (IMO) regulates pollution from ocean-going vessels. The IMO approved MARPOL Annex VI in September 1997, which calls for lower emissions from ships and also provides for the adoption of Sulfur Emission Control Areas (SECAs). A SECA would require ships to use low sulfur fuel within the SECA. However, the U.S. Senate has not yet adopted MARPOL Annex VI. The U.S. EPA needs to make a case for MARPOL Annex VI and the establishment of a SECA. Once the U.S. adopts MARPOL Annex VI, the IMO could approve a SECA for the west coast of the U.S. or preferably for the entire U.S. Without a SECA, it may be very difficult to achieve a "no net increase" in emissions in the port area.

#### System/Physical Enhancements

In general, shorter-term infrastructure investments are those reflected in the 2004 Regional Transportation Improvement Program (RTIP), which programs transportation funds for the coming six years. Longer-term investments (out to 2030) are included in the 2004 Regional Transportation Plan (RTP).

- a) **Truck Climbing Lanes** – Truck climbing lanes are additional uphill lanes on the outside of a freeway that allow slow-moving trucks to proceed safely without disrupting the flow of other traffic. Short-term projects in the 2004 RTIP include nearly \$440 million worth of truck climbing lane projects in Riverside and San Bernardino Counties ~~are included in the 2004 RTIP.~~ The 2004 RTP includes additional truck climbing lanes on four routes in

Orange, Riverside, and San Bernardino Counties, with implementation dates ranging from 2010 to 2030.

- b) **I-710 Corridor/Desmond Bridge Gateway Program** – The I-710/Desmond Bridge Gateway Program is a comprehensive, strategic approach to addressing the congestion, air quality, and safety issues in the Corridor between the Ports of Long Beach/Los Angeles and State Route 60. The I-710 and Gerald Desmond Bridge carry approximately 15% and 10% of all U.S. waterborne container volume, respectively. The I-710/Desmond Bridge Program consists of the Gerald Desmond Bridge Replacement and the Locally Preferred Strategy for the I-710 Corridor, which includes dedicated truck lanes parallel to the mainline. The estimated total cost for the Desmond Bridge is \$711 (escalated) and \$4.5 billion for the I-710 Corridor component. This program will take at least ten years to implement.
- c) **Alameda Corridor East (ACE) and Other Grade Separations** – Another critical step in goods movement is reducing conflicts between trains and motor vehicles by separating at-grade crossings. Like the Alameda Corridor, the ACE project seeks to speed freight bound eastward through the region by eliminating grade-crossing conflicts through the San Gabriel Valley, Orange County, and the Inland Empire. The total cost of this effort is approximately \$2.5 billion. Short-term efforts in the 2004 RTIP include a total of \$873 million in the 2004 RTIP is dedicated to grade separation projects that will begin in the next six years. The remainder of the work will proceed in the mid- and long-term as funds become available.
- d) **Port Infrastructure Projects To Improve Rail Operations** – Through their Ports Rail Master Plan, the Ports of Los Angeles and Long Beach have developed plans for track and signal improvements throughout the harbor area through 2020. These plans include additional on-dock yards, Centralized Traffic Control, additional storage tracks, longer arrival and departure tracks, bridge improvements and related facilities to accommodate expected increases in rail traffic. Relatively minor projects like track connections are planned for the next two years; additional on-dock rail yards and expansions of existing yards are planned within 5 years; and large-capacity “mega-terminal” yards will be completed between five and fifteen years into the future.
- e) **New Intermodal Facilities** – The region is facing a shortage in intermodal rail yard capacity. Already the Burlington Northern & Santa Fe Railway Company (BNSF) has placed limits on the number of containers it will accept at Hobart Yard near downtown Los Angeles. It has been estimated that by 2020 there could be a region-wide shortage of 9 million lifts (domestic and international) per year.

Most of the responses to the growing need for intermodal lift capacity could take more than five years to complete. In the near-term, the Port of Los Angeles has adopted an Intermodal Rail Policy that “provides for on-dock and comparable near-dock intermodal facilities for shippers, carriers and terminal operators by Class I Railroads.” The Port proposed to construct a new near-dock rail yard immediately south of the existing ICTF, using private funds. The new yard would accommodate 1,000,000 to 2,000,000 TEUs per

year (540,000 to 1,100,000 lifts per year). Such a facility could eliminate one million truck trips annually from the 710 Freeway, employ between 800 and 1,000 people, and better utilize the Alameda Corridor.

Other potential developments include inland rail yards at the sites of the former George and Norton Air Force bases in Victorville and San Bernardino, respectively. Another yard has been proposed on privately owned land in Devore near the intersection of the I-15 and I-215 freeways. These yards could accommodate local shuttle trains, or "block swap" operations.

- f) **New Freight Rail Capacity** – Given increased freight and passenger rail traffic, mainlines east of Los Angeles will need to be triple- and sometimes quadruple-tracked in the coming years. Bottlenecks such as the rail-to-rail Colton Crossing must also be addressed. Long-range projects in the ~~The~~ 2004 RTP includes provisions for a regional rail capacity improvement program totaling \$3.4 billion, which provides for both additional track capacity and mitigations in the form of grade separation projects.
- g) **New Toll-Funded Roadway Improvements to Address Truck Demand** – Recognizing the need for additional highway capacity to handle increased truck as well as passenger traffic, the 2004 RTP explores the long-range strategy of dedicated facilities to accommodate truck traffic. The RTP includes proposals for several new toll-funded corridors in the region, including on the I-710, the I-15, and on east-west routes to be determined. A prior study showed that a dedicated truck facility would be feasible on SR-60. In line with the principles stated earlier, community impact mitigation will be an integral part of these projects.
- h) **Land Use Changes** – The adopted 2004 RTP was developed with input from the regional growth visioning process known as Southern California Compass. The Compass vision showed that a departure from the usual growth and land use patterns could yield substantial benefits to the region in the form of reduced traffic congestion and reduced time lost in travel delays. The further development of this vision has been termed the "2% Strategy," in reference to the small percentage of the region's land area where local land use practices would need to change to reap these benefits. Implementation of the 2% Strategy at the local level can be combined with the development of new goods movement infrastructure so that growth is accommodated with reduced impacts and with greater local and regional economic benefit.

The five County Transportation Commissions in the SCAG region (Los Angeles, Orange, Riverside, San Bernardino, and Ventura) are working with SCAG and the four Caltrans districts (7, 8, 11, and 12) on a 2-year project to develop an implementation plan for the Southern California goods movement system. The mission of this Multi-County Goods Movement Action Plan effort, which is administratively led by LA County MTA, is to partner with the private sector in the development of a strategy and implementation plan for an improved regional goods movement system that will reflect all of the actions described above.

## **SUGGESTED PARAGRAPH FOR GOVERNOR'S STATE OF THE STATE ADDRESS**

During my recent visit to Japan, business leaders told me that they couldn't get goods to market through the bottleneck at the Ports of Los Angeles and Long Beach.

The immediate problem has been resolved through a number of actions. More port labor has been brought in, and the ports are extending operating hours. But more work needs to be done.

Statewide, the logistics industry pays well and provides hundreds of thousands of jobs for Californians – and it is growing. California can gain millions in new tax revenues if we invest in new infrastructure for the industry. I see a win-win situation here. We can keep our economy growing by helping our logistics industry increase its productivity, and leverage that economic growth into investments that will help clean up our air. It's a great opportunity for private business, public agencies, and the health community to team up on a common objective.

I have asked the Secretary of Business, Transportation and Housing to work with public and private interests over the next 90 days to develop innovative approaches and bring new sources of funds to the table. With these investments, Californians will benefit from a stronger economy and cleaner air.

# MEMO

**DATE:** February 3, 2005

**TO:** Transportation and Communications Committee

**FROM:** Jim Gosnell, Deputy Executive Director, (213) 236-1889, [Gosnell@scag.ca.gov](mailto:Gosnell@scag.ca.gov)  
Zahi Faranesh, Manager Special Projects, (213) 236-1819, [faranesh@scag.ca.gov](mailto:faranesh@scag.ca.gov)

**SUBJECT:** The Shanghai Maglev Experience

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## **SUMMARY:**

Two SCAG staff were previously authorized to attend the 2004 Maglev Conference in Shanghai, China on October 26-28, 2004. The attached report summarizes their experience and offers substantial detail on Maglev-related topics including the operating Shanghai Maglev Line. A slide-show presentation will be given to further explain the significance of this trip and how their experience can be applied to benefit SCAG's Deployment Program.

## **BACKGROUND:**

### **2004 Maglev Conference, Shanghai, China**

The 2004 Maglev Conference was held in Shanghai, China from October 26-28, 2004. The 18th International Conference proceedings focused on Magnetic Levitated Systems. Papers were presented from 14 countries to approximately 300 people who attended the conference. The Institute of Electrical Engineering, the Chinese Academy of Sciences, and the National MAGLEV Transportation Engineering R&D Center organized the conference. The National Natural Science Foundation of China, Transrapid International, Shanghai Maglev Transportation Development Co., Ltd., and MAX BOGL Construction Company supported the conference.

The papers presented were on the following topics:

- High Speed Maglev Developments and Projects
- Urban Maglev Developments and Projects
- New Ideas
- Power Supply
- Vehicle, Guideway and Infrastructure
- Safety, Operation Control and Maintenance
- Propulsion and Linear Motors
- Magnetic Levitation and Guidance
- On Board Energy Supply and Energy Transfer
- Magnetic Bearings

### **Shanghai Maglev Project**

Most of the above topics presented were centered on the Shanghai Maglev project. Project completion took four years from starting the planning study to operation of the line. The project, which started construction on March 1, 2001, was a joint effort of the Chinese Government and German Transrapid International Company.



The first Maglev vehicle, composed of three sections, successfully completed its trial run on a single track on December 31, 2002. The second track was completed in 2003. Testing on two, five, and eight vehicle sections was conducted, and a maximum speed of 310-mph (501 km/h) was successfully achieved on a five-section vehicle train. Testing on intercrossing of two trains was at a maximum speed of 267-mph (430 km/h). Commercial operation on the 19 mile, double track line between Pudong International Airport and Long Yang Road Subway Station started in January 2004. Today, the system operates with three five-section vehicles and 10-minute headway. One way trip time is 7.5 minutes, and daily operation is 9 hours. By August 2004, the Shanghai Maglev line had carried 1.45 million passengers.

The Shanghai Maglev line was constructed at a cost of \$1.2 billion (RMB 9.943 billion). So far no data has been released relating to the maintenance and operation of the line. The Shanghai Maglev line is the first commercially operated Maglev line in the world. It carries passengers in cars that offer two classes of service: the VIP section has leather reclining seats with trays, and four seats per row; the Ordinary sections have cloth, non-reclining seats, and six seats per row.

Shanghai Transrapid Development Company in conjunction with Shanghai International Trade Company and the Shanghai Pudong International Airport Import/Export Corporation were the contractual parties in charge of implementing the Shanghai Maglev project. The Contractors group was composed of Transrapid International, Siemens, and ThyssenKrupp.

Many of the papers presented concentrated on technical analysis of the system design, guideways, operation control, propulsion and power supply, operation and maintenance, safety and environmental assessment. Overall, the analysis concluded that the entire system is reliable, and the technical performances of the equipment meet the requirements of operation of the performance standards set up by the German Federal Railway Authority and the Shanghai Transrapid Development Company. The Shanghai Maglev line has proven that the ground passenger transportation technologies can travel at 310 mph, that the technology is mature, reliable, safe and environmentally friendly and that it can be put into operation in other parts of the world such as in the SCAG region.

## **Additional Shanghai Maglev Technical and Operational Considerations**

- **Station Area:** The area where Long Yang road subway station is located is the administrative and cultural center of the new Pudong area of Shanghai. It is also a proposed transportation center and three Metro lines are planned to join there, which will make it possible for the passengers to transfer conveniently and directly to the Maglev Line.
- **Feasibility Study:** A pre-feasibility study was prepared by the municipal planning authority of the City of Shanghai. On June 30, 2002 an agreement on a joint preparation of a feasibility study for the demonstration and operation of a high-speed maglev system line was signed between the City of Shanghai and Transrapid International. The intended result of the study was the planning and design of the Shanghai Maglev demonstration project.
- **Station length:** 660 feet (200-meters) at each end of the line with maximum capacity of one 8-section vehicle (667 ft long, 794 seated passengers). The station has two double moving sidewalks.

# MEMO

- **Vehicle Configurations:** Currently a five-section vehicle is in operation for a total length of 420 feet, and seating passenger capacity of 464.
- **Acceleration:** The Maglev train can accelerate to 185 mph in 1 minute and 37 seconds at a distance of 2.6 miles. It can reach a top speed of 310 mph in 4 minutes.
- **Guideway size and spacing:** Each guideway is 9.2 feet (2.8-meters) wide and 16.73 feet (5.1 meters) apart from the centerlines of each guideway.
- **Guideway Columns:** The distance between the pillars supporting the guideway is 82 feet (25 meters). Steel girders of 147.6 feet (45-meters) span are also used in the Shanghai Line for the crossover switches. The eight bendable steel switches were delivered from Germany. Column size is 5 ft x 6 ft.
- **Ridership:** The Shanghai Maglev line carried 1.45 million passengers by August 2004.
- **Power Consumption:** No information on power consumption was provided.
- **Operation and Maintenance:** 82 employees are responsible for the operation and maintenance under the Shanghai Maglev Transportation Development Co. Ltd.
- **Operating Costs:** No information on the assessment of the operating costs.
- **Maintenance Station:** Approximately 1.9 mile long connection with three crossovers connecting to the maintenance facility close to Pudong International Airport station.
- **Signage:** There are a significant amount of signs about the project and services, at the airport, subway rail stations, and the Urban Planning Museum. There are video monitors in each subway rail vehicle.
- **Security:** Security x-ray scanning machines are at the Long Yang station for baggage check.
- **Ticketing System:** After ticket purchasing, all ticket machines are fully automated with automated control at the entrances and the exits.

## Future Shanghai Maglev Development Projects

China's long range vision includes building 5,000 miles of a high-speed rail ground passenger network. At present the Shanghai Transportation Development Company is conducting feasibility study on the extension of the existing Maglev line to Hangzhou, a distance of 126 miles west of Shanghai. Also, China has proposed building a high-speed rail line from Shanghai to Beijing, approximately 900 miles. The final decision on the technology to be used for the Beijing to Shanghai project is subject to the result of the Shanghai to Hangzhou project. Some papers presented at the conference suggested that the Maglev technology should be adapted to the Shanghai-Beijing line, and others suggested that both Maglev and steel-on-wheel rail technologies are needed in China.

## High Speed Surface Transportation (HSST) Slow-Speed Maglev

There were some papers discussing the Japanese HSST slow-speed Maglev, which will be operating in March 2005 for the opening of the World Exposition. The Maglev line, called the Tobu Kyuryo line, in the northeastern suburbs of the city of Nagoya, will connect to the town of Fujigaoka, a highly urbanized area, and then to the town of Yakusa. The HSST Maglev system was selected over steel wheel rail because Maglev can operate more efficiently at a high gradient slope of 6%. The line will be six miles long and is expected to reach a maximum speed of 62 mph, with a forecasted ridership of 30,000 passengers per day. The line is double track with nine stations and will take 15 minutes to travel end-to-end. The HSST Maglev train vehicles are manufactured by

# MEMO

Chubu HSST Maglev technology in Japan, and are being constructed under Japanese standards. HSST magnetically levitated train research and development began thirty years ago by Japan Airlines.

In 1989, The Chubu HSST Development Corporation was established to develop the first one-mile testing track in Nagoya for full commercial testing application of new generation vehicles. In 2000, a quasi-public corporation was formed in order to construct and operate the Tobu-Kyuryo line. The total estimated project budget was \$770 million.

The infrastructure is being constructed primarily on an elevated guideway above existing public roadways with approximately 0.8 mile of tunnel. The fleet will consist of eight three-car trains operated by normal conductive Magnetic levitation, an automatic train control system. The construction of the guideway and the vehicles started in April 2002. The prototype of a 3-car train was manufactured, and performance verification tests at track were conducted in October 2002. The total passenger capacity is 104 seated and 140 standing, for a total of 244 passengers per train. The Tobu-Kyuryo line will be the first commercial slow speed magnetic levitation vehicle system to be operated in an urban area.

## **Strategic Considerations and Issues**

There were papers presented discussing the use of Maglev for freight transportation and its advantages for a fast, safe, and reliable mode of operation. Some papers focused on further development and optimization for the near future on guideway and guideway equipment, vehicles, propulsion and power supply, operation control systems, and standardization and simplification of the Maglev system deployment. Also, economic optimization and cost reduction for the investment costs and operation including the maintenance costs were discussed.

## **Lessons Learned from the Shanghai Project**

The most valuable achievements obtained from the construction of Shanghai Maglev Line were stated as the development of the hybrid guideway structure system and its manufacturing technology, including the design of the alignment, design and manufacture of the guideway girders, control of the settlement and development of special bearings for the guideway, etc. The intellectual property rights of all these unique technologies belong to the Chinese.

## **Summary and Conclusion**

The 2004 Maglev Conference was very successful in delivering information, data, technical analysis and application on the deployment of High-Speed Maglev system. SCAG staff gained first hand experience on Maglev operation by conducting field trips and riding the Shanghai Maglev line. SCAG made a presentation on the need for an Interregional Maglev system to reduce roadway congestion and to provide ground access to the regional airports in the SCAG region. The SCAG presentation was received very well and provided discussion among members of the conference. Several attendees were interested in SCAG's "system" concept and the connection and utilization of regional airports. Also of particular interest was SCAG's financial plan to incorporate public and private partnerships.

Also, the proceedings provided great new information on Maglev technology, and its applications and attributes. It was proven and concluded that Maglev is fast, safe, reliable quiet, comfortable and environmentally friendly. The successful construction and operation of the Shanghai Maglev project solved many important problems concerning the practical application of the high-speed Maglev transportation system. It has created an active foundation for Maglev deployment in the United States and the SCAG region. As an international transportation industry in general, Maglev is still in the early stages; however, significant future growth in the technology and deployment of Maglev is expected throughout the world. China has indicated they are very interested in expanding Maglev corridors, Japan will soon have slow-speed Maglev technology in operation, Germany is developing new Maglev lines and the United States has several Maglev projects underway. The technology is expected to dramatically transform ground transportation capabilities and services.

Doc 106970

# MEMO

**DATE:** February 3, 2005

**TO:** Transportation and Communications Committee

**FROM:** Philbert Wong  
Assistant Regional Planner  
213-236-1883  
[wongp@scag.ca.gov](mailto:wongp@scag.ca.gov)

**SUBJECT:** Inland Empire Mainline Railroad Study

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## **SUMMARY:**

The overall purpose of the Inland Empire Mainline Rail Study is to examine current train volume and operating conditions and forecast rail traffic for the years 2010 and 2025, including freight, Metrolink, and Amtrak trains, on the mainline rail network extending from Colton east to Indio and north to Barstow.

## **BACKGROUND:**

This study builds upon the Los Angeles-Inland Empire Mainline Rail Study completed in October 2002 by SCAG, which examined the mainline rail network from downtown Los Angeles east along the Union Pacific and BNSF lines to Colton in San Bernardino County. The overall purpose of the Inland Empire Mainline Rail Study is to examine current train volume and operating conditions and forecast rail traffic for the years 2010 and 2025, including freight, Metrolink, and Amtrak trains, on the mainline rail network extending from Colton east to Indio and north to Barstow. Based upon this forecast, the study will then examine potential alternatives for accommodating future traffic. In doing so, the study will examine all opportunities for increasing rail traffic volume, improving efficiency and reliability, and reducing delay. Furthermore, the study will determine the costs associated with recommended infrastructure improvements.

To date, an interim report has been produced which summarizes existing and likely future train volumes in 2010 and 2025 under baseline conditions, rail freight traffic patterns, and documents railroad infrastructure required to handle expected train volume in 2010 and 2025 (completed June 2004).

Work currently in progress includes conducting alternatives analysis for accommodating future growth, analyzing railroad-related emissions, and working with the railroads to obtain their input.

The alternatives will be ranked based on the costs and benefits derived from each scenario. In deriving these rankings, the study will take into consideration factors such as the costs of specific rail infrastructure improvements needed to implement each alternative, as well as rail-related emissions and vehicular delays resulting from each alternative. This ranking will provide a basis from which to recommend a preferred alternative for accommodating future rail traffic that represents the optimal combination of costs and benefits to both the public and private sector.

This study is expected to be completed by June 30, 2005.

DOCS #106815

# MEMO

**DATE:** February 3, 2005

**TO:** Transportation and Communications Committee

**FROM:** Philbert Wong  
Assistant Regional Planner  
213-236-1883  
[wongp@scag.ca.gov](mailto:wongp@scag.ca.gov)

**SUBJECT:** Port and Modal Elasticity Study

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## SUMMARY:

The purpose of the Port and Modal Elasticity Study is to determine the probability of diversion occurring between the Ports of Los Angeles and Long Beach and other U.S. (including west, east, and gulf coast) and Canadian ports, as well as between modes of transportation (truck and rail), should user fees be assessed to goods imported via the Ports of Los Angeles and Long Beach.

## BACKGROUND:

Currently, insufficient public funds are available to pay for needed infrastructure improvements that would be beneficial to goods movement, such as rail track capacity and grade separations and highway capacity enhancements. Because of this, SCAG is researching alternative means of funding such investments, one of which is the application of user fees to goods imported via the Ports of Los Angeles and Long Beach.

The Port and Modal Elasticity Study will determine the probability of diversion occurring between the Ports of Los Angeles and Long Beach and other U.S. (including west, east, and gulf coast) and Canadian ports, as well as between modes of transportation (truck and rail), should user fees be assessed to goods imported via the Ports of Los Angeles and Long Beach. Should the study conclude that user fees could be assessed, the study will determine at what point in the logistics chain fees could be collected, as well as a plausible level of such fees. To accomplish this goal, the study will examine factors such as transportation costs, such as ocean, port handling, and land transportation, the value of transit time, and industry trends, all of which have an impact on which port a carrier or shipper chooses to utilize.

To date, two working papers have been completed. The first discusses market competitiveness, elasticity of demand, and user fee funding of infrastructure improvements. The second analyzes West Coast trade flows and the competitiveness of the Ports of Los Angeles and Long Beach (completed June 2003).

Current and future work includes determining total transportation costs, the value of transit time, industry trends, the funding potential of container user fees, computing cargo demand elasticities for rail and truck modes, and determining the most appropriate point user fees could be assessed to avoid diversion to other ports and/or other modes.

This study is expected to be completed by June 30, 2005.

DOCS #106816